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WORLD ECONOMY AND INTERNATIONAL RELATIONS

No. 10, October 1983

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12 January 1984

USSR REPORT

WORLD ECONOMY AND INTERNATIONAL RELATIONS

No. 10, October 1983

Except where indicated otherwise in the table of contents the following is a complete translation of the Russian-language monthly journal MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA published in Moscow by the Institute of World Economy and International Relations, USSR Academy of Sciences.

CONTENTS

English Summaries of Major Articles in MEMO Journal (pp 158-159).....	1
Madrid Conference Seen as Soviet Victory Over U.S. 'Obstruction' (pp 3-10) (An. Alekseyev, V. Kravtsov).....	5
Interdependence, Structural Changes and Conflicts in World Economy (pp 11-22) (O. Bogomolov).....	14
Reagan Foreign, Military, Trade, Economic Policies Assailed (pp 23-36) (V. Linnik).....	29
West Europe's Finance Capital (pp 37-51) (Ye. Khesin, A. Volkov) (not translated)	
Prospects for World Oil Prices (pp 52-62) (N. Shmelev) (not translated)	
Crisis in the Employment Sphere (pp 63-77) (N. Gauzner) (not translated)	
June 1983 UNCTAD Session Discussions Surveyed (pp 78-93) (N. Zaytsev).....	44

INTERNATIONAL ROUNDUP

Current Problems of World Politics (pp 94-113)

(V. Babak, V. Vladimirov, Yu. Oleshchuk) (not translated)

DISCUSSION

Structural Crises of Present-Day Capitalism (pp 114-118)

(B. Rasin) (not translated)

OUR COMMENTARY

U.S. Dollar's Effect on Interest Rates (pp 119-120)

(I. Korolev) (not translated)

New Outbreak of the 'Steel War' (pp 121-124)

(K. Borisova) (not translated)

Italian-American Relations at the Current Stage (pp 125-131)

(A. Vinogradov)..... 64

TRIBUNE OF THE INTERNATIONAL AFFAIRS EXPERT

FRG Book Shows 'Strengths, Weaknesses' of Antiwar Movement (pp 132-134)

(L. Istyagin)..... 71

SURVEYS, INFORMATION

State Enterprise in the Small West European Countries (pp 135-141)

(T. Ivanova) (not translated)

BOOKS, AUTHORS

Shakhazarov Book Critiquing Western Political Science Reviewed (pp 142-143)

(R. Zolotarev)..... 76

Bulgarian Book on Nongovernmental EEC Political Integration

Reviewed (pp 144-146)

(V. Baranovskiy)..... 80

Review of "The Defense of Western Europe" by B. Burrows and G. Edwards (pp 146-147)

(G. Kolosov) (not translated)

Review of "East-West Trade at a Crossroads: Economic Relations With
the Soviet Union and Eastern Europe", by R.V. Roosa, A. Gutowski and
M. Matsukawa (pp 148-150)

(A. Kireyev) (not translated)

Review of S. Yu. Medvedkov's "Transnational Corporations and the Exacerbation
of Capitalist Contradictions" (pp 150-151)

(N. Gnatovskaya) (not translated)

Review of V.B. Supyan's "Use of Manpower in the United States: New Phenomena and Conflicts" (pp 152-153) (O. Shapkarina) (not translated)	
Book On Recent Changes In Japanese Technical Education Reviewed (pp 153-155) (V. Martsinkevich).....	84
IEA Study On Coal Use Potential Reviewed (pp 155-157) (A. Manukovskiy).....	85

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ENGLISH SUMMARIES OF MAJOR ARTICLES IN MEMO JOURNAL

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 10,
Oct 83 pp 158-159

[Text] An. Alekseyev and V. Kravtsov in the article "On the Results of Madrid Meeting" speaks about the almost three years of intensive political struggle and intricate diplomatic maneuvering. They indicate that the final document of the all-European forum has been drafted in the course of difficult talks and though some of its clauses bear the mark of a compromise it is firmly based on the Helsinki Final Act and fully accords with its principles and aims, reaffirming the need to strictly respect and implement the ten principles that the states participants in the all-European conference pledged to abide by in international relations. The authors show the destructive U.S. general policy, the policy of its allies, the NATO countries, which though they often upheld U.S. stand, in the final run, did not follow it to the end, and on the other hand the constructive policy of European neutral and non-aligned countries. The article specially stresses the active and purposeful efforts of the Soviet Union and the countries of the socialist community in reaching practical solutions to questions under consideration and speaks about the decision to hold in January 1984 in Stockholm a conference on confidence--building measures, security and disarmament in Europe and of its aim.

O. Bogomolov in the paper "Interdependence, Structural Shifts and Conflicts in World Economy" examines the high level of internationalization when the economic and political future of this or that country is strongly dependent upon the normal development of international relations, when this future necessitates the elimination of conflicts and antagonisms, undermining the world economy.

The peaceful coexistence policy, the transition from confrontation towards ease of international tension during the 1970's, the accomplishments of political independence and achievements of economic decolonization of the developing countries have contributed to the positive advance of internationalization, to the further progress of economic cooperation. Thus, the contemporary interdependence acquires new qualitative features.

A great many of economic problems nowadays urge the international approach for their successful solution. Global problems require the deeper coordination of national economic policies, the reshaping of the world order on democratic basis.

At present the East-West economic relationship is far from being normal, reflecting the crisis situation in the Western capitalist countries. The planning system in the socialist countries offsets the negative consequences of such a situation. However, the socialist world is not at all indifferent to these developments in world economy.

The socialist states are interested in world economic stability, in mutually beneficial cooperation among all countries leaving aside their social differences. It is high time to admit that living system of world economy is unthinkable without constructive participation of the socialist countries, without consideration of their interests and accumulated experience in all spheres of international cooperation.

V. Linnik in the article "Reaganism' as a Phenomenon in the Politics of American Imperialism" examines the present-day peculiarities in the development of international relations, expressed in frantic attempts of imperialism, above all American ones, to impart to the relations of the two historically opposed socio-political systems the character of total struggle, when cooperation is substituted by a confrontation. Attempts are made to undermine the peaceful foundation of interstate relations and the development of political contacts; mutually beneficial economic and cultural relations between states are questioned. The author states that the views on foreign policy, military, strategic and ideological issues typical of the present U.S. leadership enable to speak about 'Reaganism' as of a specific stage in the evolution of the world outlook of the American ruling class. The very fact that London shares these views gives evidence to the fact that 'Reaganism' represents the quintessence of the external and internal political philosophy of the most militant bourgeois monopolistic circles. The article defines 'Reaganism' as an old phenomenon, regenerated on a qualitatively new, more dangerous level of military confrontation, as a phenomenon which tried to impose confrontation with socialism upon the whole world.

Ye. Khesin and A. Volkov in the article "Financial Capital and Financial Oligarchy in Western Europe" outline the particulars of high finance in West European countries sparing specific attention to the contemporary interlocking of banking and industrial capital. The fusing of banking and industrial capital take such forms as credit bonds, shareholding, personal union, accounts expertising, etc.

The structure and characteristics of the contemporary financial capital reflect and sum up the important changes of the capitalist development during the recent decade. The impact of scientific and technological advance, involving crucial structural shifts in concentration of capital and its specialization in high-technology fields. Internationalization of world economy triggered transnationalization of production and banking intensifying integration processes in Western Europe. The expansion of state monopoly capitalism with ruling right parties also strengthened the position of high finance in West European countries.

The authors trace the common and specific features of financial capital in leading capitalist countries of Western Europe on the basis of abundant data, highlighting the main guidelines of its influence upon the economic, political and social life in various states.

The analysis of financial capital reveals once again the immanent contradictions between economy and politics within the capitalist framework.

N. Shmelev in the article "World Oil Prices: Contemporary Level and Prospects" emphasizes that during the recent decade the international economic relations develop under the impact of the drastic changes concerning the structure of the world prices. The primary role here belongs to the increased level of the prices of the energy resources comparing with prices of all other goods circulating in world commerce.

During the late 1970's the world economy has managed to adjust considerably to the new energy situation. Nevertheless, though the question of the menacing energy hunger is actually out of the agenda, so to say, the problem of stable price level for energy resources and oil in particular urges the solution.

The author adheres to the opinion that the commencing transition to the new energy system based on the alternative energy resources and synthetic fuel is objectively inevitable. This transition should be backed economically by definite price level for the traditional energy resources thus permitting the development of the new energy resources and gradual utilization of the earlier idle energy reserves.

The author arrives at the conclusion that despite the present day excess of oil on the world markets and certain decrease of its price, the new ratio of price level for petroleum and all other commodities in world capitalist trade is irreversible.

N. Gauzner in the article "Crisis in the Sphere of Employment: Peculiarities, Causes, Consequences" sees as the main, but not only manifestation of the present employment crisis in the unprecedented, for the post-war period, rise of mass unemployment and its stable nature. He compares the grave changes in the forms and composition of the "surplus" working population with those of the pre-war period. The author regards the causes for the aggravation of unemployment due to different factors such as economic, social, psychological and political, market and permanent, internal and external conditions. Unemployment is becoming the way of living for millions of working people and is closely associated not only with material privations but with grave psychological stresses, physical and moral sufferings. The article refutes the myth being spread by bourgeois mass media to the effect that the negative consequences of unemployment are being "neutralized" by the social security system. It shows that unemployment affects seriously not only the jobless but the majority of working people. In conclusion the author dwells upon some problems of struggle of the working class for the right to work.

The article "For the Normalization of International Economic Relations" by N. Saytsev, provides a comprehensive analysis of the sixth session of UNCTAD, held in June-July 1983 in Belgrade, Yugoslavia. The article thoroughly reviews the positions of the groups of member-countries of UNCTAD both at the preparatory stage and at the session itself and present some estimates of the results of the Conference. The author expresses understanding concerning

the dissatisfaction of the developing countries with regard to the meager achievements of the Conference compared with these countries' dramatic economic situation and their original proposals as contained in the Buenos Aires Platform. The main responsibility for this lies with the hard-line position of the Western countries, especially the United States. At the same time, the author stresses that UNCTAD VI managed to adopt a number of useful decisions aimed at the normalization of international economic relations and cooperation between all states and nations. Of particular importance in this respect is the strongly expressed willingness to preserve peace and secure normal political conditions for the development process.

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MADRID CONFERENCE SEEN AS SOVIET VICTORY OVER U.S. 'OBSTRUCTION'

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 10,
Oct 83 pp 3-10

[Article by An. Alekseyev, V. Kravtsov: "Results of the Madrid Meeting"]

[Text]

I

The meeting of representatives of the participants in the Conference on Security and Cooperation in Europe, which was held from 11 November 1980 through 9 September 1983 in Madrid, was an outstanding phenomenon of European and international political life.

The forum in the Spanish capital was convened in accordance with the provisions of the Helsinki Final Act, which provided for continuation of the multilateral process begun by the All-European Conference. The actual decision to hold it was adopted at the first such meeting, held in 1977-1978 in Belgrade, which, as is known, culminated in the adoption of a brief final document of a formal, almost procedural nature: the achievement of any appreciable positive accords proved impossible owing to the position of Washington, in whose policy even then there began to be effected an abrupt change toward the spurring of tension and confrontation. Through the prism of this experience many people initially also perceived the prospects of the Madrid meeting, the more so in that there had been a sharp deterioration in the political climate in the world with the assumption of office of the R. Reagan administration.

However, the meeting in the Spanish capital rapidly became woven into the fabric of international life, and interest in and attention to it grew constantly. In official documents--bilateral and multilateral--speeches of statesmen and politicians, at public forums and the press it occupied a pronounced place, while the positions of the participating states became a kind of criterion of their attitude toward detente policy.

For the Soviet Union and the socialist community countries the Madrid meeting served from start to finish as an arena of struggle to preserve the efficacy of the Helsinki Final Act, which expressed the principles of the peaceful coexistence of states with different social systems and the struggle for an improvement in the international atmosphere, the consolidation of security and the development of cooperation in Europe.

The 26th CPSU Congress emphasized: the vital interests of the European peoples demand that Europe proceed along the path laid in Helsinki; the process begun by the All-European Conference must be continuous. A major initiative put forward at the congress--the declaration concerning the Soviet Union's readiness to extend future confidence-building measures to the entire European part of the USSR, given a corresponding expansion of the zone of confidence-building measures on the part of the Western states also--was of decisive significance for the entire course of the Madrid meeting and ultimately for ensuring its successful conclusion.

The joint documents of the Warsaw Pact states adopted at meetings of the Political Consultative Committee in Moscow (1978), Warsaw (1980) and Prague (1983) and communiques of meetings of the Foreign Ministers Committee coordinated and specified their positions in respect of the Madrid meeting. The goal here remained, of course, unchanged--the achievement of appreciable positive accords in the interests of peace, detente and cooperation in Europe.

The meeting in June 1983 in Moscow of leading party and state figures of the allied socialist countries, in particular, emphasized particularly the need for the Madrid forum to culminate in positive results corresponding to the expectations of the European peoples.

As far as the United States is concerned, its approach was dictated primarily by the principle of total confrontation in a spirit of the "crusade" against socialism proclaimed by R. Reagan. From the very outset the American position meant that an awareness of the community of fundamental interests of all the European states in removing the threat of war, nuclear particularly, and an aspiration to joint quest for accords strengthening security and cooperation on the European continent were alien to Washington. Sights were set on using the Madrid meeting for attempts to interfere in the internal affairs of the socialist countries and propaganda diversions in a "psychological warfare" style. The achievement of actual results, on the other hand, which would ensure the positive continuation of the all-European process on the foundations determined by the Final Act was of little or no interest to the American side. Nor did the U.S. representatives conceal this, declaring that merely a determination of the date and place of the next meeting and simply the recording of the fact that any accord had proven possible would suit them perfectly.

The West European countries which are a part of the NATO bloc found themselves in an awkward position. On the one hand, by virtue of class considerations and allied commitments, they--to a dissimilar degree, it is true--occupied common positions with the United States, attempting to put pressure on the socialist countries, primarily on questions concerning the ideological struggle between the two sociopolitical systems. Here they themselves were also under the constant pressure of their transatlantic partner, which demanded of them--on the pretext of "Atlantic solidarity"--the maximum inflexibility. At the same time, however, the West European countries' objective need to maintain normal political and trade-economic relations with the Soviet Union and the other socialist countries prompted them to a more balanced approach which would enable

them to leave channels of dialogue open and preserve the prospect of a return to detente. Ultimately they did not go along entirely with the destructive line of the United States but embarked on a path of quest for mutually acceptable accords affording an opportunity for continuing the all-European process.

A constructive position was occupied by the neutral and nonaligned states, which are free of Atlantic fetters and capable of impartially assessing the risk entailed by a policy of undermining the all-European process and, on the contrary, what advantages are afforded by its consistent continuation and development.

The fact that the proposal for the convening of a conference on confidence-building measures and disarmament in Europe was discussed at the Madrid meeting as a central issue also contributed to a large extent to the increased interest therein. This idea rapidly acquired magnetic force both as a measure unprecedented in Europe's diplomatic history and by virtue of the fact that, owing to the exacerbation of the military-political situation in Europe, perfectly definite hopes and calculations came to be linked with it.

With the general consent of the participants it was decided to hold the final stage of the Madrid meeting at foreign minister level, which the Warsaw Pact countries had earlier advocated repeatedly.

II

From the first days through the last an acute political struggle and complex diplomatic maneuvering were under way at the Madrid forum itself and surrounding it.

Even at the preparatory meeting, which opened on 9 September 1980 and which was to have determined the duration, agenda and other conditions of the main meeting, considerable difficulties arose. The socialist countries endeavored to ensure that the agenda and the organization and schedule of the work be geared to productive negotiations and the achievement of specific positive accords. The NATO countries, on the contrary, on the pretext of "verifying" fulfillment of the Final Act, intended to program an endless and fruitless discussion, hoping to use it for standard inventions as regards "violations" of the provisions of this act in the socialist countries and for interference in their internal affairs.

Nonetheless, it was possible in the decisions adopted right after the opening of the main meeting on 11 November 1980 to defend the high-minded approach ensuing from the appropriate provisions of the Final Act. They recommended that every effort be made to reach agreement on a summary document no later than 5 March 1981. Even given the most skeptical view of things, no one believed that a further 2 and one-half years would go by after this date before the closing day of the meeting. Recesses were announced repeatedly. More than once, it seemed, the meeting had reached deadlock. A fruitless outcome and, sometimes, failure altogether were predicted for it frequently.

The cause was always the same--the avowedly obstructionist line of the United States and a number of its closest NATO allies, which clutched at any pretext to fan somewhat hotter the flame of the propaganda polemic against the Soviet Union and the other socialist countries. Thus the situation in Afghanistan, which is completely unrelated to the questions being discussed in Madrid, was dragged in utterly artificially. Then a concentrated campaign began against socialist Poland in connection with the imposition of martial law in the country, a campaign in which the NATO foreign ministers, who had come to Madrid specially to appear in the anti-Polish "show," joined personally. It was the United States, laying claim to the role of some self-styled "supreme interpreter" and "keeper" of the Final Act, which resorted to the most unbridled demagoguery on the question of human rights in the socialist countries. Yet it is precisely in this stronghold of capitalism that flagrant gulfs in securing the rights of the working people and the racial and national minorities and the observance of civil and political liberties yawn. As far as international cooperation on problems of the defense of human rights is concerned, it can hardly be considered simple happenstance that the United States has yet to sign or ratify such international acts, for example, as the economic, social and cultural rights pact, the civil and political rights pact, the conventions preventing genocide, eliminating all forms of racial discrimination, putting an end to the crime of apartheid and others. Can it be wondered at that the representatives of Great Britain, whose ruling circles have turned long-suffering Ulster into an arena of police tyranny and violence, "defended" rights and freedoms in other countries so zealously.

And it was only the high-minded position of the Soviet Union and the other socialist countries, combining an emphatic rebuff of the slanderous calumnies and unbidden homilies with constant efforts to introduce the course of the meeting to a practical channel, together with the constructive steps of the neutral and nonaligned participants which averted the threat of its breakup and kept it within the framework of difficult, but nonetheless, ultimately productive international negotiations.

Organizationally speaking, the work of the meeting was conducted at plenary sessions (unofficial meetings of the heads of the delegations also were held later) and in five auxiliary working bodies. With the transition to preparation of the draft summary document the latter were transformed into the appropriate drafting groups: questions related to security in Europe; cooperation in the sphere of the economy, science and technology and the environment; questions related to security and cooperation in the Mediterranean; cooperation in the humanitarian and other spheres; further steps after the meeting. Such an outline corresponds to the structure of the Final Act.

Of course, as in all multilateral negotiations, there were extensive backstage contacts in Madrid, and, of course, the numerous consultations at various levels which took place in the capitals of the participants were of particular significance. Generally, matters proceeded slowly by no means owing to a lack of channels of communication. The delegations of the NATO countries (the American representatives were the instigator, as a rule) deliberately impeded transition to the formulation of a draft summary document. Ignoring the

coordinated agenda, they endeavored to drag out for as long as possible the so-called discussion of "fulfillment" of the Final Act and returned again and again to rehashes of the hackneyed motifs on the theme of "violations" of its provisions by the socialist countries.

On 16 December 1981 a group of neutral and nonaligned countries--Austria, Cyprus, Lichtenstein, San Marino, Finland, Switzerland, Sweden and Yugoslavia--officially submitted a draft summary document, which became known by its index as document RM-39. An understanding of the fact that the meeting could and should culminate in a "meaningful and balanced" summary document began to take hold. This initiative was a realistic step forward on the way to the achievement of positive results in Madrid. This was the first attempt to synthesize the positions of the participants, and in the spirit of the Final Act, moreover.

Not everything in document RM-39 fully corresponded to the viewpoint and wishes of the Soviet Union. Considering, however, its constructive thrust as a whole and guided by an endeavor to contribute to the success of the Madrid meeting, the Soviet Union expressed a readiness to work on the basis and within the framework of this draft. An analogous position was occupied by the other socialist countries also.

The attitude of the participants in the NATO bloc was different. Declaring the draft "inadequate," they submitted approximately 15 amendments and amplifications, the majority of which were manifestly unacceptable to the socialist countries. Some of these proposals simply reproduced the demands which had already been rejected at preceding stages of the all-European process. There was no doubt as to their purpose: to create all kinds of loopholes for ideological penetration of the socialist countries and impart a semblance of legality to the attempts to interfere in their internal affairs.

Although there was no chance of such proposals being approved, the delegations of the NATO countries continued to stubbornly cling to their demands, not only blocking progress in the work but also creating the danger of a change in the draft of the neutral and nonaligned countries and the destruction thereby of the foundations for the formulation of a meaningful summary document. The amendments and amplifications of the NATO countries together with their one-sided position in respect of the conference's mandate concerning confidence-building measures and disarmament, particularly on the question of the zone of the application of future confidence-building measures, was to remain for a long time yet the stumbling block impeding progress in Madrid.

Encountering the firm position of the socialist countries and failing to find support for their maximalist demands on the part of other participants in the meeting, the delegations of the NATO countries had to evaluate the situation and its possible consequences more soberly and embark on the path of the quest for compromise.

On 15 March 1983 the group of neutral and nonaligned states submitted a renewed draft summary document. It preserved the entire text which had been agreed in the course of the preceding work and also formulated provisions in

respect of which mutual understanding had additionally been ascertained or a rapprochement of positions had been discerned. In respect of the contentious issues, however, the authors of the renewed draft proposed their own, in their view, compromise wording.

The NATO countries, however, hastened to declare that the draft which had been submitted failed to take account of their position to a sufficient extent and they insisted, as before, on their amendments and amplifications, reducing their number to five and subsequently to four, it is true. Deadlock again inasmuch as by this time the possibilities for further productive negotiations had practically been exhausted.

Under these conditions the heads of state and government of Austria, Cyprus, San Marino, Finland, Sweden and Yugoslavia expressed serious concern to the leaders of all the other participants in the Madrid meeting apropos the state of affairs at the meeting. As pointed out in Yu.V. Andropov's response, the Soviet Union regarded the renewed draft summary document as a basis for the completion in the very near future of the work on complete coordination of the document.

A major new step forward in the interests of the successful completion of the meeting and in the interests of security and cooperation in Europe was needed. And the initiative of such a step was again displayed by the Soviet Union. On 6 May 1983 at a plenary session in Madrid the Soviet delegation read out "The Appeal of the Soviet Union to the Participants in the Madrid Meeting". The USSR proposed that it culminate as quickly as possible in positive results, accepting the draft summary document in the form in which it had been submitted by the neutral and nonaligned countries on 15 March 1983 (although it failed to take account of a number of material observations expressed by the Soviet delegation).

Thus the shortest way to the successful completion of the meeting was opened, and the entire responsibility in the event of it ending fruitlessly would lie solely with the NATO countries. The delegations of these countries still fought rearguard battles, so to speak, for a certain time, but ultimately had, nonetheless, to consent to the mutually acceptable accords. An initiative displayed by the Spanish Government, which on 17 June 1983 proposed the removal of a further two of the remaining four amendments of the NATO bloc and the adoption of compromise solutions with respect to the remainder, contributed to this.

III

What is the essence of the accords arrived at in Madrid?

Primarily they are of a fundamental nature, emphasizing the "high political significance" of the All-European Conference and the process which it began and confirming the participants' allegiance to this process and the importance of implementation of all the principles and all the provisions of the Final Act. The participants expressed their resolve "to exert new efforts to make detente an effective and also continuous and increasingly viable and all-around process,

of an all-encompassing extent, in accordance with the commitment ensuing from the Final Act." This is a good answer to those who hastened to declare the policy of detente "outdated" and "buried". It turned out that detente has a real reserve of strength and has taken deep root, particularly on European soil. "It is our profound belief," Yu.V. Andropov observed in the speech at the CPSU Central Committee November (1982) Plenum, "that the 1970's, which passed under the sign of detente, were not, as certain imperialist figures today claim, a chance episode in man's difficult history. No, the policy of detente is by no means a stage that is passed. The future belongs to it."

The summary document adopted in Madrid, which is, by necessity, of a compromise nature, is at the same time firmly based on the principles and provisions of the Final Act and confirms its permanent character and efficacy. In particular, at the suggestion of the socialist countries it contains a recommendation concerning the reflection in national legislation--in a way which corresponds to the practice and procedures of each country--of the 10 principles set forth in the Final Act by which the participants have undertaken to be guided in their mutual relations. In the Soviet Union the said principles are reflected, as is known, in the constitution adopted in 1977.

Some people in the West are portraying the accord within the framework of the all-European process as a kind of "deal" between the socialist countries, which display an interest mainly in security problems, and the capitalist countries, which, it is said, give pride of place to human rights issues. Reading between the lines of this interpretation does not require special decoding: serving all kinds of propaganda campaigns for the purpose of discrediting the ideals and practice of socialism. In reality the Helsinki accords, as also the summary document of the Madrid meeting, which is based on them, encompass the most varied spheres of interstate relations: political relations proper, including questions of security, trade-economic and scientific-technical cooperation, cultural relations and so forth.

The decision to convene a conference on measures to strengthen trust and security and on disarmament in Europe, which will begin work in Stockholm on 17 January 1984 (it is to be preceded by a preparatory meeting in Helsinki, whose opening is scheduled for 25 October 1983), imparts particular significance to the Madrid meeting.

As is known, shortly after the All-European Conference, the socialist states which are members of the Warsaw Pact came out with the idea of holding an all-European conference on military detente and disarmament, proceeding from the organic interconnection of political detente and military detente. This obvious complementarity was mentioned in the Final Act even and was at that time embodied in practice in the first concerted confidence-building measures in the military sphere (the principal one was prior notification of large-scale ground forces' exercises). In the same period a proposal concerning a conference on disarmament in Europe was put forward by France.

Much has changed since that time in the European and world situation, and the international-political climate has deteriorated sharply. Nor could the ideas concerning the possible outlines of such a conference fail to have changed.

However, the very idea of the conference constantly strengthened. It is indicative that right at the initial stage of the Madrid meeting proposals containing the idea of the conference were submitted by different groups of participants and individual countries: Poland, France, Yugoslavia, Sweden and others.

The question of the conference was put at the center of the meeting thanks to the efforts primarily of the socialist countries. Discussion of this question developed on two planes, as it were. On the one hand a struggle was waged for the adoption of the very idea of the holding of the conference inasmuch as the United States put up at first open and then concealed resistance to it. Only in February 1981 did the American representative declare for the first time that the United States might consent to the idea of a conference. On the other, the agreeing of a mandate or mission for the conference, that is, defining the main content of its work, took on an exceptionally complex and dogged character. A general understanding that at the first stage the conference would deal with the formulation of the confidence-building measures was reached comparatively quickly. However, serious disagreements were manifested on the question of the criteria of future confidence-building measures and, particularly, the zone of their application, and an acute struggle over these problems continued virtually up to the last moment. A mutually acceptable accord on the conference's mandate was ultimately reached.

As envisaged by the summary document of the Madrid meeting, future confidence-building and security measures are to encompass all of Europe and also the adjacent sea area and airspace (the concept of adjoining sea area is also applied to the ocean areas adjoining Europe). These measures will be material militarily and politically mandatory and are to be provided with adequate forms of verification corresponding to their content.

The political steps and practical measures agreed in Madrid concern realization of all sections of the Final Act. In particular, the participants' concern to contribute to the creation of favorable conditions for the further development of trade and industrial cooperation between them was confirmed and the intention of making efforts aimed at reducing or gradually removing all obstacles in this sphere was expressed. This is all the more important in that it was precisely the period of work of the Madrid meeting which accounted for the attempts of the United States to foist on West Europe a winding down of trade-economic relations with the socialist countries and disrupt these relations by every conceivable sanction, embargo and so forth. The summary document contains specific recommendations aimed at encouraging and ensuring business contacts in the trade-economic and scientific-technical spheres in accordance with the demands of the times.

Despite the acute disagreements which characterized the discussion of questions of cooperation in the humanitarian spheres, here also it was ultimately possible to come to practical arrangements, which, undoubtedly, could facilitate progress in the sphere of exchange in the field of culture and education, the wider dissemination of information, contacts between people, establishments and organizations and the solution of humanitarian problems.

The text of the summary document has been published in the Soviet Union (it was determined in Madrid that it would be made public in each participating state, which would disseminate it and give it as extensive publicity as possible), and there is no need to dwell on each agreed measure individually. Nonetheless, it is worth highlighting particularly, for example, the agreement to hold in October 1985 in Budapest, at the invitation of the Hungarian Government, a "Cultural Forum" in which leading figures of the participants in the cultural sphere will take part. There is no doubt that this forum could attract the most prominent masters of European culture, who will gain a unique opportunity for the joint discussion of problems of creativity and the expansion and development of mutual exchange and contacts.

The results of the Madrid meeting reflect all the diversity of the all-European process and ensure its continuation and development. This, inter alia, is underpinned by the decisions to mark in fitting manner in 1985 in Helsinki the 10th anniversary of the signing of the Final Act and regularly hold further meetings of representatives of the 35 participants in the All-European Conference. The next such meeting will open in 1986 in Vienna.

"The experience accumulated in Madrid," A.A. Gromyko observed, speaking at the concluding stage of the meeting, "confirms that, despite all the differences in policy and all the disagreements in an evaluation of the causes of the current state of international affairs and despite all the tenseness of the current atmosphere in Europe and the world, states with different social systems can reach mutually acceptable accords. And, furthermore, such which are to the benefit of all peoples and which help clear the horizons of European and world politics."

The impressive positive results of the Madrid meeting are being perceived in Europe with satisfaction and hope. And not only because the accords that were reached and the planned practical steps are of essential significance in themselves but also because success was achieved despite the serious deterioration in the international situation. The example of Madrid persuades us yet again that even under present conditions, given the political will and a realistic consideration of mutual interests, it is possible to find a solution to complex questions on the paths of negotiation. There is no need to emphasize how important this example is in the present European situation and how necessary is the impetus for movement in the direction of a lessening of tension, along the path of detente.

As Yu.V. Andropov emphasized at the CPSU Central Committee June (1983) Plenum, "in our era it is socialism which is the most consistent defender of healthy principles in international relations and the defender of the interests of detente and peace and the interests of each people and all of mankind." The course and results of the Madrid meeting, to whose success the Soviet Union and the socialist community countries contributed to a decisive extent, confirm this fundamental proposition in practice.

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INTERDEPENDENCE, STRUCTURAL CHANGES AND CONFLICTS IN WORLD ECONOMY

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[Article by Academician O. Bogomolov: "Interdependence, Structural Changes and Conflicts in the World Economy"*]

[Text] Mankind is currently experiencing, perhaps, the most complex and critical period in its history. Never before has it confronted such an awesome challenge: the danger of nuclear extermination has been hanging over it, the arms race has assumed unprecedented proportions and the capitalist economy has been hit by a serious ailment whose consequences it is difficult to predict. International stability--political, military and economic--is being undermined by incessant conflicts and clashes. Unsolved global problems--food, energy, raw material, ecological and others--are causing great concern. This is why it is so important to find the right paths which might enable us to extricate the world community from the dangerous, crisis situation, in the economic sphere included, which has been created.

I

Economic life in the modern world has been internationalized to a far greater extent than ever before. The degree of this internationalization is such that the future of each country is conditioned by the normal development of international economic relations and the need for the removal of the conflicts and contradictions undermining the world economy.

The internationalization of economic life is expressed in the existence and functioning of the world economy. As a reality of our time, it represents a complex and far from homogeneous system of relations. Given the existence of two opposite social systems--socialism and capitalism and the industrially developed and developing states--the world economy appears as a contradictory, but integral system. International economic relations of different social types are interwoven in it, it reflects the legacy of the colonial past, national interests clash in it and diverse economic and political forces operate therein.

Despite all its complexity and contradictoriness, the world economy is a constantly developing organism, although its state and prospects are today

* From material of a report at the Seventh International Economists Congress in Spain.

causing serious concern. The difference in socioeconomic systems and ideology does not serve, as history has shown, as an insurmountable obstacle to the socialist and capitalist states' joint solution of international problems and to mutually profitable trade and cooperation. On the contrary, diversity of national conditions is in principle conducive to international communication and exchange.

The international division of labor and the economic complementariness of the countries ensuing therefrom are playing an ever increasing part in man's socioeconomic progress in our day.

The scientific-technical revolution has added to the traditional factors of the international division of labor new factors brought about by the high concentration and technical provision of modern production and its increasing science-intensiveness. It has accelerated the process of the internationalization of economic life and imparted qualitatively new significance to it, having turned science into an independent factor of social labor productivity growth.

The list of industrial products and their technical complexity, particularly in engineering, electronics and chemistry, are so great and the need to reduce costs on the basis of concentration and an increase in the batch nature of production is so urgent that even the biggest and most developed states cannot efficiently manufacture the full range of products. The increased spending on R&D and the effective introduction of its results in practice are also erecting barriers to this. All this is making the international specialization and cooperation of production and scientific-technical development essential and converting them into a necessary condition of an increase in the efficiency of economic activity.

I would like in this connection to draw attention to the fact that economic exchange between countries is growing considerably faster than the increase in the production of physical assets. The rate of increase in international trade over the past 40 years was 1.5 times higher than the rate of growth of the aggregate gross domestic product of all countries of the world. The forecasts of certain economists permit us to assume that by the year 2000 approximately one-third of the entire product produced in the world will be the subject of international exchange compared with 20-22 percent currently.*

The policy of the peaceful coexistence of states with different social systems and the transition from confrontation to the relaxation of international tension had a salutary effect on the increased internationalization of economic life, particularly in the 1970's. Former colonies' winning of political independence and certain of their successes in the sphere of development of the national economy and economic decolonization contributed to an increase in the relative significance of these countries in the world economy and also the stimulation of their mutual economic cooperation.

* M. Simai, "Interdependence and Conflicts in the World Economy," Budapest, 1981, p 52.

The economic interdependence of certain countries is increasing and the world economy is acquiring qualitatively new functions as a result of this.

Many of the urgent economic problems currently worrying people in different countries require for their solution the international unification of efforts. They are putting on the agenda of international life the coordination of national policies and the reorganization of the world economy on democratic principles. The United Nations and its specialized bodies could perform an important role here.

The conversion of the problem of food, energy and raw material supply from a national to a global problem is most graphic testimony to the need for the increasingly close interaction of countries and peoples.

As a result of the uneven distribution between states of fuel (particularly oil) and mineral raw material resources the mechanism of the world economy has the exceptionally complex task of satisfying the growing needs of countries which are not in a position of self-sufficiency.

Thus the industrially developed countries of the capitalist world possess more than 40 percent of known mineral raw material reserves, concentrating up to 70 percent of their consumption, and, furthermore, from these Japan caters for 90 percent of its needs thanks to purchases abroad and West Europe 75 percent, but the United States 10-15 percent.* The EEC countries cater for approximately half of their energy consumption thanks to imports (primarily of oil) from third countries. The United States satisfied its need for oil by importing approximately 40 percent thereof.

The CEMA countries cater for approximately 95 percent of their oil, gas, electric power, coal, iron ore and certain other most important raw material commodity needs on the basis of their own production and mutual cooperation. This is a clear advantage of theirs compared with the EEC, which is particularly palpable in periods of serious disturbances in the functioning of the world economy, as was the case in 1973-1974.

At the same time natural resources are also distributed unevenly within CEMA. The overwhelming proportion of oil, gas, iron ore and rare and nonferrous metal ores is accounted for by the USSR, which caters for approximately 80 percent of its CEMA partners' oil and petroleum product import requirements, and for their gas and iron ore requirements to an even greater extent. Besides, the USSR exports oil, gas and certain types of mineral raw material to the world market. The USSR's CEMA partners cater for 70-75 percent of their energy requirements thanks to their own production.

West Europe's industry depends to a particularly appreciable extent on Near East and African oil and supplies from Africa of chromium, manganese, platinum, cobalt, copper and vanadium. Of the 95 types of raw material consumed by industry, in the mid-1970's the United States depended on imports for 68 types, including 15 types in respect of which it was totally dependent (diamonds, bismuth, cobalt, tin, mica and so forth).

* LE MONDE DIPLOMATIQUE, March 1981, p 9.

Any shortage of oil, gas or coal could, in the opinion of a number of Western specialists, have dramatic consequences for the West's industrial powers. But this should also be said, specialists believe, in respect of platinum, cobalt, tin, chromium, aluminum, copper, silver, nickel and tungsten.* As is known, one of the few exporters to the world market of platinum and other platinum metals, gold and manganese is the Soviet Union.

The reason for the growing dependence of the United States, West Europe and Japan on mineral raw material and fuel imports throughout the postwar period is not only the lack or depletion of geological reserves but also the rapid growth of consumption and the increased cost of their own production. The rationalization of consumption, technical innovations geared to the substitution of metals and minerals in particularly short supply and the fuller development of their own resources have not yet halted the trend toward an increase in this dependence. If we add here the rise in the comparative prices of mineral raw material in the past decade (particularly of oil), uncertainty concerning the guaranteed supply of raw material on a long-term basis and the panic predictions concerning the approaching depletion of certain types of natural resources, it is understandable that raw material is becoming a most vulnerable spot in the structure of the Western countries industry. In this component, as, incidentally, in a number of others, the well-being of their economy is inseparable from the state of affairs in the world economy.

The threat of a raw material and energy crisis has not passed, despite a certain lessening of its seriousness. The struggle for access to mineral raw material markets is increasing. The depletion of their own natural resources and an endeavor to preserve the customary way of life demand, prominent Western specialists believe, an "uninterrupted influx" of these resources from the developing countries.

But it is no longer possible today to put one's hopes in solutions by force. Only the voluntary, equal and mutually profitable cooperation of all groups of states and the development of a uniform economic strategy are capable of ensuring a way out of the growing difficulties. And the cooperation within the CEMA framework, which is based on the coordination of long-term plans, represents an example which merits attention.

The complication of the world energy-raw material situation has forced the industrially developed European capitalist states to outline measures to diversify imports of energy carriers, by way of an expansion of imports thereof from the CEMA countries included. There are favorable prospects, for example, for imports of Soviet natural gas and Polish coal. The West's interest in new dependable raw material and fuel sources and the CEMA countries' need for modern equipment and technology imports, for the energy and raw material sectors included, are creating the necessary prerequisites for this.

* LE MONDE DIPLOMATIQUE, March 1981, p 10.

Mankind is confronted no less acutely by the problems of environmental protection, introduction of all peoples to the benefits of technical progress, the struggle against dangerous diseases and the rational use of ocean resources. The solution of these problems demands, as the course of events shows, a broadening of countries' interaction.

So, the opinion that the future of the nations of the world is connected with an increase in their economic interdependence* and the internationalization of economic life is becoming increasingly unanimous. This truth, incidentally, has long been recognized by Marxism, which draws therefrom, however, quite different political conclusions from those of bourgeois science.

Socialist, including Soviet, science sees the internationalization and interdependence of economic life as an arterial path of the development of the production forces and the consolidation of peace and cooperation between peoples. For this reason socialist diplomacy advocates the all-around development of economic cooperation between nations, including countries of different socioeconomic systems, based on equality, respect for national sovereignty, mutual benefit and a renunciation of discrimination and their consistent reorganization on just, democratic principles. Proclaimed back in the first days of Soviet power, these principles have now been concretized in the peace programs approved by the 24th-26th CPSU congresses and in the activity of CEMA. They have been reflected in the Final Act of the All-European Conference in Helsinki and many UN resolutions and recommendations.

However, from the facts adduced above the West frequently draws political conclusions causing bewilderment and alarm even. Many politicians connect the increase in economic rapprochement by no means with a need for respect for national sovereignty and recognition of the equality of all states of the world and with the further democratization of international relations. On the contrary, a gamble is made on the use of force and the preservation of the economic dependence of the developing states, albeit in more subtle and flexible forms than in the past. The "beggar-my-neighbor" policy to preserve one's own advantages is pursued increasingly in difficult times. In a word, attempts are being made to substitute for the objectively growing economic interdependence the old system of one-sided dependence on the strong of this world and the old system of privileges and political and economic domination. Whence, in particular, ensues influential Western figures' actual dislike of the new international economic order concept.

The objective logic of the development of the international division of labor, however, cannot with impunity be subordinated to the logic of military-political rivalry and the world market turned into an arena of commercial expansion and economic wars. Have not the repeated attempts to isolate socialism in the world economy, technologically cordon off the socialist states and subject them to a credit blockade and all kinds of "sanctions"

* See "Industry 2000. New Perspectives". United Nations, New York, 1979, p XIX; "North-South: A Programme for Survival". Report of the Independent Commission on International Development Issues under the Chairmanship of Willy Brandt, London, 1980, pp 22-23.

remained ultimately unsuccessful by virtue of their incompatibility with objective economic laws? Is this not also why exploiter relations in the world economy must sooner or later give way to genuinely partnership relations?

II

Major changes in the structure and geography of production and its technical basis and in the alignment of economic and political forces are occurring in today's world. They will determine to a decisive extent how the world economy will appear in the future.

In world industrial production the relative significance of the socialist countries has grown and constitutes more than one-third, although there has not been a corresponding increase in their share of world trade. The developing states account for approximately 9 percent of world industrial production, but their share of world exports (24 percent in 1960, 20 percent in 1970) fluctuates considerably in real terms, that is, not counting the increased value of oil exports.*

Whereas before the war a leading role was performed by trade between the developed countries and the colonies (now developing states), the reciprocal trade of developed Western countries has been the most dynamic in the postwar period (currently approximately 60 percent of their entire foreign trade turnover).

There have also been appreciable changes in the correlation of the economic and export potentials of the United States, West Europe and Japan. As a consequence the monocentrism of the world capitalist economy of the first postwar years has given way to the rivalry of three centers of the Western world of comparable economic strength.

The world economy, whose participants now number 160 independent states, is becoming increasingly polycentric. An increasingly large number of countries freed from colonial dependence is acquiring sufficient political, economic and export potential to play a more or less pronounced part in the world economy. The mere fact of the simultaneous interaction of so many states and economic forces (which was not the case in the past) represents an important structural change in the world economy.

Striking changes are being accomplished in the sphere of science and technology, and they are not without consequence for the world economy, moreover. Electronics, new materials, nuclear power, robots and mechanical arms, space technology and jet aviation, most sensitive and superaccurate instrumentation, biotechnology--these and other forms of science-intensive technology are revolutionizing production, ensuring a higher level of labor productivity and affording considerable opportunities for an increase in people's well-being. The most refined and at the same time capital-intensive

* See "Trade and Development Report 1981," United Nations, New York, 1981.

and labor-intensive product of scientific and technical creativity--software--is acquiring an exceptionally important role in the national and world economy.

Whereas in the capitalist world software production and exports are increasingly concentrated in the leading powers--the United States, Japan, the FRG, Britain and France--many of their traditional and not so complex works, particularly those experiencing a decline or polluting the environment, are gradually being shifted to the periphery, to the developing states included. These are textile industry, fuel-energy complex, metallurgy and chemistry sectors, the assembly of engineering and electronic products connected with monotonous labor and so forth. According to available forecasts, by 1990 the developing countries could account for up to 36-38 percent of world exports of readymade clothing, 80 of textiles, 25-27 percent of leather products and footwear and 7-10 percent of wholesale metal products.*

However, the process of the transfer of part of production capacity from the developed capitalist to the developing countries is proceeding in disorderly manner, without regard for the fundamental interests of the latter. It is proceeding on the basis of private decisions of individual transnational corporations [TNC], without cooperation among the governments concerned. As a result the structural changes which are being discerned in the economy of the developed countries ("reindustrialization") and the shifts which are occurring in the economy of the developing states are in no way interlinked. This is making the rational division of labor more difficult, handing its formation over to the will of market spontaneity and increasing the "new protectionism".**

The endeavor to make scientific-technical progress man's universal property is natural. However, the results of the scientific-technical revolution are being disseminated unevenly. The increasingly great concentration of modern scientific-technical potential in the industrially developed capitalist countries is affording them increasing advantages. The brain drain from the developing states, having assumed considerable proportions, is intensifying even more certain Western countries' one-sided appropriation of the main results of contemporary scientific-technical progress.

Socialism removes the social barriers in the way of the effective dissemination of the achievements of scientific-technical progress in the interests of all members of society and all mankind. Considerable successes have been scored in the CEMA countries in the solution of large-scale scientific-technical problems, to which their mutual cooperation has contributed to a decisive extent. However, there are also unsolved questions in this sphere: the narrowness and insufficient specialization of the scientific-technical base of individual countries, the imperfection of their national and integration mechanisms of scientific-technical progress, dispersal of available resources and so forth, which is reflected in the community's overall technical level.

* M. Simai, Op. cit., p 58.

** See "Structural Changes in Industry," United Nations, New York, 1981, ID/266, pp 5-10.

Currently a number of programs geared to major positive changes in the scientific-technical basis of the economy is being implemented within the CEMA framework.

The infrastructure of the world economy--transport, communications, data processing, storage, financing and the banks and stock exchanges--is developing in far from the best manner. The structural changes in this sphere are leading to the increased concentration of the infrastructure in the hands of the West. Monopolizing these intermediary functions to a far greater extent than export-import commodities, the TNC are acquiring enormous power over both production and consumption to the detriment of the interests of the developing countries. Currently these corporations, according to the estimates of a number of authors, control over one-third of world trade, and up to two-thirds of the raw material commodities and a considerable proportion of finished products exported by the developing countries pass through their hands.

Hitherto the structural changes in the world capitalist economy have increased the conflict nature of its development. The mechanism of the world economy manifestly does not correspond to the new situation which is taking shape under the influence of the changes which are under way.

III

The present state of the world capitalist economy cannot be evaluated other than as a crisis. Mankind has come up against an explosive mixture of national and international crisis factors threatening unprecedented upheavals. The army of unemployed in the West's industrially developed countries runs to 33 million or approximately 10 percent of the work force.

Cyclical crises of the capitalist economy have been interwoven with the structural crises. The slump in economic activity in the main capitalist countries has also extended to international trade, the annual increase in whose turnover has declined from 6.5 percent in 1976-1979 to 1.5 percent in 1980 and to zero growth and negative values even in 1981-1983.*

The inflation process has gone beyond national boundaries and embraced all world trade. The change in price proportions has made the balance of payments crises of the majority of developing states and many Western countries worse and increased the instability of the entire world currency and credit system.

The unchecked activity of the TNC and national companies thirsting for profit is leading to the plunder of irreplaceable natural resources. The interests of future generations are being sacrificed to current advantage.

The threat of the destruction of the environment is increased many times over by the incessant arms race. We have to agree with W. Brandt, who declared in his speech at the Socialist International Congress in Albureira: "We can rearm ourselves to death without fighting any war here: death will come owing to the overstraining of our economy and owing to our criminal reluctance to display concern for the future." And, moreover, the part played in the arms race by the United States is well known.

* Estimated from MONTHLY BULLETIN OF STATISTICS, United Nations, 1976-1983.

The present crisis, which is the most profound since the war, was born in the capitalist countries, but it has hit the developing states the hardest. Their dependent position in the world capitalist economy has led to a sharp decline in these countries in the economic growth rate, while the number of unemployed or not fully employed has risen to 400-500 million, which constitutes roughly one-third of the able-bodied population. And this despite the fact that national income per capita here is 7-40 times less than in the developed capitalist countries. The discrepancy in economic development levels between the West and the developing states computed in synthetic indicators is frozen at the ration of 13:1, and there is no confidence that it will begin to be reduced.

The intensifying conflict between the industrial countries of the West and the developing world represents a most acute contradiction of the world economy. The main benefits of contemporary civilization and technical progress fall to the share of a few leading capitalist states, and their costs are borne largely by the peoples of the economically underdeveloped countries.

The artificially understated price of fuel and raw material from the developing countries was for decades a highly material factor of the maintenance of the high growth rate of the economy of the Western powers, the modernization of their fuel-raw material economy and the reduction in production costs. The OPEC countries' increasing of the oil price did not lead to a necessary rectification of the exchange quotas between the industrial and developing countries. On the contrary, the biggest losses were sustained by the economy of the oil-importing developing countries. The industrial powers compensated their losses to a large extent as a result of the increasing preferential growth of prices for the commodities they supplied to the developing countries, the recycling to the same countries of petrodollars deposited in Western banks at inflated interest rates and the artificially high exchange rate of the American dollar.

International finance mechanisms, in which the relative significance of private bank credit increased, became a powerful instrument of income redistribution in the world economy to the benefit of the capital-exporting countries.

The unfavorable correlation of prices for export commodities for the developing countries which are not OPEC members is leading to the formation of a huge deficit in their balance of payments, which increased from \$24 billion in 1974 to \$77.5 billion in 1982.

Foreign capital's expanding penetration of their economy has become a most important means of exploitation of the developing countries (the West's direct investments alone in these countries have now reached over \$100 billion). A considerable proportion of the industrial production and exports of the young states is under the control of foreign capital. The strongest positions here are occupied by the TNC, primarily American. The scale and manner of their actions are influencing not only the economy of the developing countries but also their domestic political life and foreign policy orientation.

The TNC's direct capital investments in the developing states continue to produce huge profits. According to available data, in the period 1970-1980 the TNC obtained approximately \$2.2 for each dollar invested in all the developing countries together. Investments of American TNC alone in 1970-1979 in the developing countries amounted to \$11.4 billion, while their profits in the same period from investments in these countries amounted to \$48.7 billion.*

The unbalanced nature of international exchange, which has increased particularly in relations between the developed capitalist and developing countries (and is also characteristic of the trade of many other countries), is perhaps the main reason for the grave crisis of international financial and currency relations. But to this should be added chronic inflation, which has spread to the international market, and the dependence of the international system of payments on the national currency of the United States and, consequently, on the singularities of this country's currency policy. A further exacerbation of the situation is fraught with the danger of the complete disorganization of the existing capitalist currency-finance system.

A bitter struggle among the West's commercial banks began under the conditions of the quite recent abundance of Euro- and petrodollars, which it was impossible to imagine even before the oil crisis broke. They vied with one another in an endeavor to grant the developing countries, particularly the comparatively more developed Latin American countries, and also some socialist states long-term loans. The developing states' foreign debt had increased by the end of 1982 to the astronomical sum of \$626 billion. In the same year the payments of these loans swallowed up 45 percent of the developing countries' entire revenue from the export of commodities and services. Such figures, many experts believe, portend a crisis. The debtor-countries are not in a position to secure sufficient revenue to meet their present obligations, in any event, as long as recession and the "new protectionism" last and, in all probability, for a long time after this.**

Their reaction to the menacing size of the debt basically amounts to a reduction in domestic consumption and imports and attempts to speed up exports, which, however, under the conditions of the decline in the prices of fuel and raw material and also the general increase in protectionism is failing to produce results. A practice of economies accompanied by a limitation of imports is having a disastrous effect on the economic growth and, consequently, on the export potential of the debtor-countries.

No less dangerous a situation is taking shape for the creditor-countries also. The developing countries ultimately absorb more than 40 percent of the exports of the West's industrial countries and over one-third of American exports. For the United States this is more than it exports to the EEC and Japan together. The ruin of the debtors is thus not only creating the danger of a banking catastrophe but also intensifying the recession in the creditor-countries. Western politicians are increasingly alarmed by the possibility

* Estimated from SURVEY OF CURRENT BUSINESS, 1970-1979.

** See NEWSWEEK, 24 January 1983, p 18.

that "...the debt crisis will ultimately lead to the appearance of radical anti-Western governments," when financial problems will be pushed into a secondary position by political consequences.*

All this is forcing the West to mount large-scale "rescue" operations. However, the measures being applied are at best capable of postponing, but not averting the inevitable crisis since they in no way provide for the opening up of the creditor-countries' markets to commodities of the debtor-countries and also a reorganization of the mechanisms of the world economy which would put an end to the economic exploitation of the developing countries.

The conflict nature of the development of the world economy is brought about to a huge extent by the arms race. Never before has the incompatibility of the arms race and the normal functioning of the world economy been manifested so obviously. This amount, which is comparable with the size of the foreign debt which has built up over a number of years in the developing states, means the gigantic diversion of most valuable material and intellectual resources from productive use.

Under the influence of the atmosphere of tension in the world being incited by the bellicose policy of the most reactionary circles of the West and its endeavor to protect its neocolonialist interests in the developing countries and also internal capitalist contradictions the developing states are being incorporated increasingly in the arms race. Over 30 of them produce weapons themselves. The trade in weapons is expanding to the detriment of traditional exchange. Arms imports by the developing state alone in 1980 amounted to approximately \$20 billion.**

The stockpiling in the world of lethal weapons, of which there are sufficient to wipe out mankind many times over as it is, is continuing, which lies as a heavy burden not only on the national economies but also on the entire world economy. Use of the advantages of the international division of labor and cooperation and the solution of economic problems of a global scale demand today more than ever a relaxation of international tension and the achievement of accords concerning a limitation of arms and a reduction therein.

The gamble on the arms race and trade sanctions and embargoes as a means of economically exhausting the enemy is adventurist inasmuch as it is leading to the kindling of an explosive situation, which could prove disastrous for all mankind. Besides, it is baseless by virtue of the economic interconnectedness of the modern world, when the evolved system of mutually profitable relations with the socialist countries cannot be undermined with impunity, without the risk of incurring losses oneself.

The socialist countries participate in the world economy under conditions of economic competition and the struggle of the two different systems. This is

* See NEWSWEEK, 24 January 1983, p 18.

** Fidel Castro, "La crisis economica y social del mundo. Sus repercusiones en los paises subdesarrollados sus perspectivas, sombrías y la necesidad de luchar si queremos sobrevivir," Havana, 1983, p 217.

an objective form of the coexistence of socialism and capitalism. The competition of the two social systems may perfectly well and should develop dynamically. And for this reason the endeavor of certain circles to substitute countries is jeopardizing man's general interests.

Unfortunately, the present business relations of the socialist countries with the nonsocialist world cannot today be termed normal. They reflect the crisis state of the capitalist economy. Of course, the planned system of the economy protects the socialist countries against outside spontaneity. However, they cannot be entirely insensitive to the state of the world economy. It is today complicating exports from the socialist countries to the markets of the West of raw material, food and finished commodities, making the payment of debt and the interest thereon more difficult and leading to losses in relations with the nonsocialist world owing to the unfavorable correlation of export and import prices, inflated interest rates, depreciation of the currencies, protectionism and the discriminatory trade and credit policy of the West. The interests of the socialist countries are also suffering to a certain extent from restrictions on the acquisition of the latest equipment and technology. All this is reflected all the more in the CEMA countries in that a transition of the economy from a predominantly extensive type of development to an intensive type is under way in many of them. The socialist states actively advocate the normalization of the general situation in the world economy, in East-West relations included.

IV

The crisis of the world economy is explained, undoubtedly, by many factors, among which we may cite both the arms race and the primitive concepts of economic policy borrowed from the times of early capitalism. But if we are to speak of what is most essential, the exploiter relations which are predominant in a considerable part of the world and the irresponsible, egoistic behavior of the capitalist states and TNC are, we believe, primarily to blame for the economic difficulties being experienced by the world community.

The state of affairs in the socialist world and its constructive foreign and foreign economic policy are exerting an invigorating influence on world economic relations and setting an example of the solution of a number of difficult problems. In the period 1970-1982 the CEMA countries' aggregate national income increased by a factor of 1.7, whereas it increased in the EEC by a factor of 1.3. This superiority in rate is the result of the planned management of the economy. But we have to take into consideration the socialist countries' as yet relatively small share of international exchange--approximately 10 percent--and the proportion of the exchange between the socialist and nonsocialist world does not exceed 4 percent, moreover.*

The socialist countries are concerned for the stability of the world economy and constructive, mutually profitable economic relations between all states, irrespective of their social system. It is by proceeding from this standpoint

* UN MONTHLY BULLETIN OF STATISTICS, December 1982, pp XXII, XVIII.

that they approach their participation in the world economy and the solution of its difficult problems. It is time to recognize that today no viable world economic system is conceivable without the constructive participation of the socialist countries and without regard for their interests and experience in all spheres--in trade, industrial and scientific-technical cooperation and currency-finance relations.

As historical experience testified, no one has a prescription for the effective treatment of the severe ailments from which the capitalist economy is suffering. They demand appropriate changes in the structure of socioeconomic relations within the countries and between them. However, the conservatism of many political and economic structures continues and, consequently, the conditions engendering the crisis continue.

The movement for a new international economic order opens somewhat the prospect of the democratization of relations in the world economy and an easing of a number of its inherent conflicts. On the one hand it is a lack of mutual understanding, egoism and inordinate requirements and, on the other, the vast technological, economic, military and political might of those who are suited by the status quo.

It is not difficult to foresee that in a world split on the one hand into two socioeconomic systems and, on the other, into two groups of states differing in development level there will be continued struggle for world cooperation based on the principles of genuine equal and mutual benefit and excluding any discrimination or exploitation of some countries by others. The following are to be secured in the course thereof:

complete equality of the socialist system of ownership in international economic relations and proper consideration of the interests and experience of socialism in their regulation and reorganization;

consideration of the particular needs and interests of the emergent countries within the framework of the process of their economic decolonization and development; and

consideration of the economic interests of the large, medium and small industrially developed capitalist states.

By their economic cooperation within the CEMA framework, which is based on the coordination of 5-year national economic plans and the principles of equality and comradely solidarity, and also by their cooperation with the developing countries, in which all one-sided advantages are precluded and assistance in the creation of a national economy predominates, the socialist countries are setting an example of international economic relations to which the future could belong. "The coordinated economic interaction of the national economic complexes of the socialist countries," the report to the Sixth UNCTAD Session observed, "has secured for them stable markets, softened appreciably the negative influence of outside factors and contributed to the dynamic development of trade among the CEMA countries, which is a planned and constant element of their overall trade turnover. Currently trade within the CEMA framework accounts for approximately 50 percent of the participants' commodity turnover."

The CEMA countries' reciprocal trade grew 29.7 percent in the period 1976-1980 and 10 percent in 1979-1982. It is significant that these dynamics occurred against the background of a decline in the physical volume of world capitalist trade.

Trade between the socialist and developing countries, the same UNCTAD report observes, remains a most dynamic component of international trade. The developing states' share of the CEMA countries' foreign trade turnover grew from 14.2 percent in 1976 to 18.1 percent in 1981.

Considering that a growth of the crisis under the conditions of the preservation of the old mechanisms of the world economy threatens it with serious collapse, the CEMA countries advocate global negotiations on the most acute problems of the world economy.

They occupy a constructive position on questions of implementation of the proposals contained in the second basket of the Helsinki conference. With regard for the international nature of scientific-technical progress, CEMA is interested in equal scientific-technical cooperation with the West and a mutual expansion of access to advanced technology markets. At the same time the capitalist states occupying leading positions in certain areas of scientific-technical progress frequently aspire to take advantage of their position not only to gain economic advantages but also for political pressure on the socialist states and other countries. This is particularly characteristic of the United States and some NATO countries. We may cite as an example the restrictions imposed by the United States and supported by a number of other Western countries on supplies to the USSR of computer equipment, oil-drilling equipment and other types of modern technology and their endeavor to extend the bans on the supply of high-technology products to the socialist countries and to internationalize the system of these discriminatory measures.

In strengthening their collective technical-economic and technological potential the CEMA countries by no means aspire to fence themselves off from the rest of the world in the scientific-technical sphere, where exchange and contacts are objectively inevitable. It is a question of being sufficiently strong in the vitally important spheres of scientific-technical progress and capable of resisting, if need be, blackmail and pressure.

Increasing the economic and scientific-technical potential of its participants, integration within the CEMA framework is at the same time broadening the possibilities of their trade-economic relations on a stable and long-term basis both with the developing states and with the developed capitalist states which are prepared to cooperate on principles of equality and mutual benefit. As numerous facts show, the foreign economic relations of the socialist countries are increasingly a stabilizing element in the world economy.

Under conditions where in world trade protectionism is increasing and there is frequent use of means of pressure on competitors which go beyond the framework of normal practice particular urgency is attached to the joint elaboration of confidence-building measures between states. It could be a question, for example, of preliminary consultations of the interested parties concerning

trade-economic and currency-finance measures scheduled by certain countries capable of harming the normal functioning of the world economy. It would be useful to draw up an effective reform of the international currency system and legalize and normalize relations between the two biggest integration groupings--CEMA and the EEC.

Despite all the differences of interests and social systems, it is necessary to search in unison for optimum solutions for a regulation of the economic life of the world community, the creation of conditions conducive to trade exchange, urgent reorganizations of the structure of production and world trade and the rational use of man's production capacity, labor resources and raw material and energy reserves.

For this, of course, we need a peaceful atmosphere on our planet, a return to a policy of detente and mutually profitable cooperation in East-West relations, elimination of the threat of war and a halt to the arms race and the military-economic process, which is pressing with unprecedented force on the world economy. The achievement of real progress in this sphere is a priority goal of the Soviet Union's foreign policy. Recent Soviet initiatives with respect to a radical reduction in the level of military confrontation in Europe and on a global scale enable us to find intelligent compromise in the solution of the key problem of the present day--the preservation and strengthening of peace.

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REAGAN FOREIGN, MILITARY, TRADE, ECONOMIC POLICIES ASSAILED

Moscow APN DAILY REVIEW SUPPLEMENT in English 17 Oct 83 pp 1-26

[V. Linnik article: "'Reaganism' as a Phenomenon in the Policy of American Imperialism". Translation of article originally appearing in October 1983 issue of MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian]

[Text]

I

A review of the present trends in international relations will furnish ample evidence to demonstrate the extreme complexity and danger of the current phase in the life of humanity. The supreme representatives of the Warsaw Treaty Member-States pointed out in the Prague Political Declaration: "Cooperation is replaced by confrontation, attempts are being made to undermine the peace-supporting foundations of State-to-State relations, and the development of political contacts, mutually beneficial economic and cultural links between nations is called in question." There is a continuous escalation of the imperialist policy from a position of strength and confrontation, of the infringement of national independence and sovereignty, and exacerbation of old conflicts and instigation of new ones.

What sets the present phase apart from anything else in the development of international relations is the intention of imperialism, U.S. imperialism, first and foremost, to turn the historic contest of the two social and political types of society into an all-out struggle. This is largely due to the emergence of the most conservative, chauvinistically- and belligerently-minded sections of the American ruling class on to the political stage, which have been reacting with undisguised truculence to the loss of "world leadership" by the United States. One effect of the breakthrough of these forces to the commanding heights in Washington has been to have materially changed both the social and political situation inside the United States and the overall international climate.

What determines the foreign policy of the present Administration, above all, is its bid to respond with a show of force to the irresistible erosion of the positions of U.S. imperialism in the world. There is a wide range of indications of that erosion. The most essential of these are the growing political and economic influence of world socialism, the loss of the erstwhile U.S. strategic superiority over the USSR, the United States' intensified competitive struggle with Western Europe and Japan, the declining U.S. ability

to influence the process of social and political change in the developing world (which has been thrown in relief most of all by the developments in Southeast and Southwest Asia and in Central America over the last few years). Superimposing all that has been a grave domestic political and economic crisis in the United States proper, reflected as it is by the shattered confidence in the political institutions and the very system of bourgeois democracy, and by the unheard of aggravation of economic, social and racial problems.

The imperative need for a strategic realignment and a marshalling of internal and external resources of U.S. imperialism in the face of what has been unpalatable change for it has induced Reagan and his following to resume the Cold War practices of warmongering anti-Communism in foreign policy and a domestic policy that has been most suited to monopoly interests in the last half-century, which boils down to shifting the burden of the Administration's program for "rearming America" to the worse-off sections of the population.

A combination of foreign policy, military strategy and ideological views peculiar to the present U.S. leadership show up Reaganism as a rather specific stage in the philosophic evolution of the American ruling class. The fact that these views are shared, to some extent, at least, across the Atlantic, above all, by Margaret Thatcher's Britain, shows that Reaganism is, in effect, the quintessence of the foreign and home policies as the philosophy of the most belligerent contingents of the international bourgeoisie.

Being as it is, in point of fact, a reanimation of imperialist policy in its purely militarist and "ideologized" form which it had before the detente of the seventies, Reaganism has been acquiring a basically new character because it has been reviving old things in fundamentally new circumstances. That is exactly why there is some serious difference, both in form and in substance, between Truman's and Reagan's editions of the Cold War.

First, the latest drive in whipping up war jitters, unlike that of the 1940's and 1950's, is on against the backdrop of a fundamentally different relation of forces in the world and at an incomparably more dangerous level of military confrontation than before. Second, at this juncture, the U.S. is committed to a fullscale global confrontation with socialism. More and more "flashpoints" have been cropping up on the world's map through Washington's fault: in the Middle East, in the Persian Gulf, in the Indian Ocean, in Southeast Asia, in Central America and even in near-Earth space, not to speak of Europe. Third, what makes Reaganism extremely dangerous as a political phenomenon is that Washington is trying to talk to the rest of the world as if nothing had changed since World War II, and as if there had been no detente reposing on a recognition of strategic parity between the USSR and the U.S, nor any fundamental shift in world politics brought about by the establishment of a socialist system and the abolition of colonialism.

The reports leaked into the press about presidential national security Directive No 75 have made quite clear the sum and substance of the guidelines issued by the present White House masters. That directive, for the first time since Truman's and Dulles' days, proclaims a "national priority" of American foreign policy to be that of bringing about "internal" change in the Soviet

Union so as to influence its international "behavior". This argument has been borne out by excerpts in the DEFENSE WEEK from the Pentagon's "Guiding Instructions", prepared by Defense Secretary Weinberger, which postulate the U.S. intention to "encourage long-term political and military change within the Soviet empire"....

It is not difficult to see that such assertions directly echo the provisions of the fundamental foreign policy document of the Cold War period--Directive No 68 of the National Security Council. The document proclaimed the U.S. objective to be that of securing a "basic reconsideration of the Soviet approach to international affairs" which, in the opinion of its framers, was attainable only through a "modification" of the very essence of the Soviet system.

In picturing the USSR as a "focus of evil in the modern world," as Reagan has been doing, the present Administration implies, as a matter of fact, that there can simply be no basis for a dialogue with the Soviet Union. Reaganism as an obscurantist and anti-intellectual trend in the political philosophy of the latter-day American bourgeoisie proceeds from the assumption that tension in Soviet-American relations "automatically follows from the very nature of the Soviet regime"; hence the conclusion that the only language the USSR understands is the language of threats backed by the overwhelming superiority of the United States.

The military policy of the present Administration is directly geared to the practical implementation of the idea of achieving such superiority, with accent laid on an accelerated build-up of destabilizing counter-force systems of nuclear weapons of "pinpoint accuracy": intercontinental MX ballistic missiles, Trident 2 submarines, and Pershing 2 intermediate-range missiles. These programs mirror an extremely dangerous qualitative shift in America's military doctrine under the present Administration: a changeover from the theory of "deterrence" to the concept of applicability of nuclear weapons to prosecute and win a nuclear war. Carter's doctrine of "limited nuclear war" has turned into Reagan's doctrine of "protracted nuclear war."

The Pentagon's five-year program of military spending is directed straight towards modernizing the U.S. triad to "render the existing Soviet (nuclear--Ed.) arsenal out of date." The modernization of the American strategic triad will mean, apart from everything else, a sweeping buildup of U.S. capability for hitting "hard targets" of the enemy, above all, the strengthened missile silos and command posts. Whereas at the present time the United States, according to figures released by the Congressional Budget Office, has some 1,400 warheads as "hard target potential," the declared program, once carried out, would bring that number up to 3,900 by 1990, and to over 6,000 by 1996.

It should be admitted that Reaganism, as an attempt to restore the United States' erstwhile military preponderance and "unlimited" power at a time when this preponderance has been lost beyond recapture, while the limits of American influence are appreciably narrowing, has fetched a certain response at home, among the chauvinistically-minded sections of the population. That is due to a sense of national exclusiveness that has been cultivated for years, and to an obsession with the Messianic role which the U.S. is supposed to be destined to play in world affairs because of being sort of preordained to be responsible

for the "salvation of humanity." The U.S. aspiration to world leadership, laden as it is with moralizing, has taken on a variety of forms: from the argument of "America's special predestination," brought up in 1845, to the "American century" which humanity was just about to enter, as TIME magazine publisher Henry Luce announced just before World War II. Practically all U.S. presidents have gone along with that. President Wilson announced a U.S. intention to "make the world safe for democracy;" John Kennedy declared that the U.S. would "pay any price, bear any burden, brave any hardship to come to the aid of any friend and to act against any foe so as to ensure the existence and flourishing of freedom." At times, the idea of "Americanization" of the rest of the world has taken grotesque forms. In 1940, Senator Warry of Nebraska promised in one of his speeches that "with God's help we will keep improving Shanghai until it becomes the same as Kansas City." Reaganism, as a concept, is, perhaps, most akin to that particular view of America's role in the rest of the world.

The idea of America's place in the world has undergone some far-reaching revision following the U.S. defeat in the Vietnam War. It was at that time that the rightwing elements in the United States created and played up an image of the United States as a "helpless giant".

The policy of the Carter administration already served as a reflection of mounting pressure from the right. It is that pressure that has been largely instrumental in stalling the strategic arms limitation talks, breaking off those about limiting military presence in the Indian Ocean zone and about anti-satellite systems, paring down economic, scientific, technological and cultural contacts with the USSR and many other moves of the Democratic Administration. Carter acted increasingly from rightist positions by the time his term of office was to expire and during the 1980 presidential election campaign. It was from those positions that he reconsidered the five-year military appropriations program to expand it drastically and put off the ratification of the SALT II Treaty. And yet Carter's maneuvering could no longer satisfy the rightwingers who cried out for such a politician as Reagan, a full fledged ultra conservative with an "untarnished" reputation. Reagan became an exponent of the views of a "war party," as Lenin named it, which "says to itself: force must be used immediately, irrespective of possible consequences".*

The new president's "bible" is scriptures by intellectuals of the extreme right "brain trusts"--"the Committee on the Present Danger," "Heritage Foundation," and "American Security Council," to mention just a few. Their recommendations essentially called for "military superiority" to be achieved over the Communists along with fighting communism everywhere by means of propaganda.** An official of the Brookings Institution has described Reagan's foreign policy guidelines as outspokenly nationalistic.*** The influential FOREIGN AFFAIRS magazine claimed that a new accent on the containment of

* V.I. Lenin, "Collective Works", vol 27, p 371.

** R. Viguerie, A New Right: We Are Ready to Lead. Falls Church, 1980, p 149.

*** "Setting National Priorities: Agenda for the 1980's." Ed. by J. Pechman, Washington, 1980, p 260.

"Soviet expansionism" had become the key priority of Reagan's foreign policy, with all other efforts geared to achieving it.* The United States' relationship with the rest of the world--both with its allies and with the developing nations--was seen exclusively from the standpoint of a "global character of the Soviet threat" which, it was argued, had to be countered by all means the U.S. and its partners had at their disposal. It was quite obvious that the "containment and rollback of Communism" were no more than a screen to cover up the actual supremacy seeking ambitions of the United States wishing to rewrite world history to its own benefit, hold up the liberation movement of the peoples, and crowd out its rivals.

The Reagan administration represents the so-called "new money" in the White House--the monopolies of the Western states, which are emerging into leading positions in national economic and political life. California, for example, could well rank seventh in the capitalist world as to industrial production. A number of high-ranking members of the Reagan team--Caspar Weinberger, George Shultz, and Philip Habib (until recently the President's special envoy in the Middle East, to mention but a few--have been connected at various times with the California Bechtel Corporation which has some business to do in about 40 countries. A drift of federal appropriations to the West and Midwest at the expense of Northeastern states, which has been well in evidence with Reagan at the White House, has become a way for the President to repay his political creditors on the Pacific Coast. Some of Reagan's military decisions, as the resumption of the program to build 100 B-1B strategic bombers, spring direct from his desire to reward "his" monopolies since the Californian Rockwell International Corporation's contract for that production of that bomber is known to have been suspended by Carter. Similarly, Reagan's program for a "space laser shield" to be installed by the end of the century is designed to provide enough military orders to last the American aerospace corporations, also primarily based in California, for decades ahead.

Reagan's installation at the White House meant a serious break with the experience of the elite of the Northeast coast which had shaped America's foreign policy for decades. The men who came to the White House with Reagan and occupied key posts in it (as E. Meese or W. Clark) have a rather peculiar idea of international politics in modern times, let alone of U.S. capability to influence it. Although there are, naturally, some men in the Reagan government who have a certain record of service in previous Republican administrations it is those best suited to the primitive concepts of the "Californians" that have found themselves in commanding positions. There has been a similar development in the previous, Carter administration, which saw "southerners" emerge into the national political arena in the United States; nevertheless, the Carter government had been tied to the Northeast establishment far closer than Reagan's--through the "Trilateral Commission."

There is a two-fold purpose behind the "Californian group's" recourse to the dogmas of primitive anti-Communism. The domestic political objective behind the drive to play up the "external threat" hoax is to revive the atmosphere of McCarthyism by stirring up war jitters in every way, suppress the spirit of protest and dissidence and, with that as the background, to damp social discontent which is inevitable in the context of what has been the worst

* FOREIGN AFFAIRS, No 5, 1982, p 472.

economic crisis of the postwar period. The foreign policy objective thus pursued is to regain the prestige the U.S. has forfeited, discredit actual socialism, force the USSR into accepting an "unbearable" pace of the arms buildup, and create the prerequisites for its own accelerated expansionism in the developing countries.

II

The "crusade against Communism", announced by Reagan in his speech in British Parliament in June 1982, had been conceived as a wide-ranging campaign to galvanize the most bellicose aspects of U.S. strategy in foreign affairs for the years ahead. Although the "crusade" implied using a ramified system of devices in action against the socialist part of the world--political, military, economic and ideological--the major emphasis has been on the utmost build-up of U.S. military power designed to break strategic parity with the Soviet Union. It is in that direction, that is, by creating decisive military superiority over the USSR and getting it involved in a nonstop arms race--that the present Administration is expecting to deal its major blow with its economic, political, and psychological effect, as it hopes, to be that of reducing the USSR to the status of a "second-rate power."

With that aim in view, the President made public an American "strategic enhancement package" on 2 October 1981, providing for an accelerated buildup of the fighting capability of the strategic offensive nuclear forces. The program, which has been described as "fundamental" to U.S. policy, calls for the deployment of 100 new MX intercontinental missiles carrying 1,000 warheads capable of hitting "hard targets", the construction of 20 Trident submarines expected to be fitted with D 5 missiles which will make the 24 SLBM's on each of these submarines as accurate as ground-based ICBM's. Besides, plans are afoot to provide the U.S. strategic Air Force by the late 1980's with 100 B-1B bombers, and by the early 1990's, with 132 "invisible" Stealth bombers. Obviously, the accent is on creating "counterforce", that is, first strike weapons systems.

Full-scale production of one of the most destabilizing weapons systems--strategic cruise missiles of all basing modes (ground, sea, and air based) is already under way. Plans are afoot to produce close to 7,000 air based cruise missiles by the 1990's; besides, about a thousand such missiles are to be mounted on submarines and surface ships. The "Eurostrategic nuclear potential" is to be essentially made up of hundreds of ground based missiles. Preparations for siting them are going on along with a propaganda fuss about "American commitment to peace" and "readiness for constructive negotiations" in Geneva.

On the whole, the idea is to create upwards of 12,000 cruise missiles of all basing options. This comprises a project to be launched in 1986 to make an "invisible" cruise missile with four times the range of the present one which can cover a distance of almost 2,500 km.

On 6 August 1981 an anniversary of the American atom bombing of Hiroshima, Reagan gave a go ahead for the full-scale production of neutron weapons designed to be installed in Western Europe again, first and foremost. The requisite appropriations have been set aside for building up the stock of chemical munitions.

There have been the decisions to set up a Space Command and a Central Command (CENTCOM) to control a vast area, comprising the Middle East and the Persian Gulf, and steps have been taken to strengthen the "Rapid Deployment Force".

The American side has openly committed itself to a new unprecedented round of the arms race. In so doing, the Administration is by no means embarrassed by the fact that its militarist preparations undermine the existing accords. For example, the implementation of the plan, put forward by Reagan in March 1983, for creating a "space laser shield" would mean that the 1972 Treaty on the Limitation of Anti-Ballistic Missile Systems would not be worth the ink it has been written with. Full-scale deployment of cruise missiles would likewise make the process of nuclear arms control exceedingly difficult, if not altogether impossible.

The plan announced by Reagan in April 1983, in accordance with the Scowcroft Commission's recommendations, to deploy 100 MX intercontinental ballistic missiles in the existing silos instead of the Minuteman 3's, along with the projected manufacture and phasing in of the light Midgetman ICBM's with a warhead apiece threatens a dangerous destabilizing on the military-political situation in the world. An MX missile, carrying ten 600-kiloton warheads is a first-strike weapon and, for that reason, spells a grave threat to the security of the Soviet Union. It is not by chance that a prominent American authority on disarmament, H. Scoville should have called the MX deployment plan "prescription for disaster."* Besides, the actual implementation of the Reagan project would lead to the provisions of the SALT II Treaty, now honored by both sides, being violated in, at least, four ways. Articles 4 and 9 of the Treaty permit the flight tests and deployment only on one type of light ICBM's, not of a light one (Midgetman) and a heavy one (MX) simultaneously. Paragraph 5, head (c) of Article 4 forewarns both sides against testing and deploying any facilities for highspeed recharging of ICBM launchers; whereas even at this point, U.S. munitions corporations are pushing precisely such a mobile setup for the Midgetman. By creating a stock of such missiles, the Administration, to judge by all accounts, intends to circumvent the launcher strength limit under Article 3 of the Treaty. There are plans, besides, to increase the number of launch silos and harden them, which is explicitly forbidden by Paragraph 5 of Article 4 of the Treaty fixing a limit to silo size in the modernization and replacement process.

The Washington administration, in a style that is peculiar to it, is trying to pass the given program off as something like a step forward towards limiting the arms race, claiming that the set of measures it provides for is the only thing that supposedly can induce the Soviet Union to "talk business" at the talks on strategic arms limitation and reduction. At the same time, the American news media, as if by command, have begun to advertise the idea of creating a stock of single warhead ICBM's of the Midgetman type. The "novelty" of this approach consists in that the American side will be pressing, in the course of the negotiations, for a limitation of warhead holdings rather than of launcher strength, as has been the case so far.

* H. Scoville, MX-Prescription for Disaster, Cambridge, Massachusetts, 1981, p 231.

The object is perfectly clear: it is to try and force the Soviet Union into yet another long term round of the strategic arms race. However, the USSR is known to have already warned against fitting the ICBM's with independently targetable warheads. The American neglect of that warning has led to the Soviet Union developing an appropriate missile system of its own. Now, the U.S., in setting up a stock of Midgetman missiles, is proposing to revert to the idea of single warhead ICBM's.

It is not surprising that this program of the U.S. administration should have come up against American public resistance. Fifty-seven public and religious organizations, including "Physicians for Social Responsibility," "Union of Concerned Scientists" and "Americans for Democratic Action" and the "Coalition for a New Foreign and Military Policy," have written to U.S. Congress to demand that the MX should be "forever excluded" from the "strategic modernization package." The deployment of the MX system can be seen by the Soviet Union, the above-quoted Scoville pointed out, as nothing but an indication that the United States is bent on obtaining a capability for a first disarming strike. And that meant, in point of fact, that the American plan would spur on the escalation of the arms race and make prospective nuclear arms limitation more difficult.*

The present American leadership has made a sweeping turn also as regards the evolution of the U.S. strategic doctrine. The Pentagon's Defense Guidance for 1984-1988 leaves no room for doubt on that score. It maintains that the U.S. must be ready to inflict a "defeat" on the Soviet Union at any level of an armed conflict, from insurgency operations all the way to nuclear war. A fundamentally new feature about it is the recognition of the admissibility and winability of a nuclear war; the strategic nuclear potential is seen accordingly no longer as a factor of deterrence but as a practicable means of resolving military and political objectives in a nuclear confrontation with the Soviet Union. The U.S. strategy, the National Security Adviser, William Clark said, must be to use its armed forces to achieve specific political objectives and do it quickly and on terms favoring the United States and its allies. The concept of "limited nuclear war," which Reagan has taken over, is in perfect accord with the intention to enhance the "utility" of nuclear weapons. Reaffirming the "global character of the U.S. vital interests," the present Administration unequivocally means to say that it is, as a matter of fact, the whole world that is a potential area of application of America's military power.

To achieve the said far-reaching ambitions, the Pentagon is expected to be allowed to set aside fantastic appropriations, those, as a rule, that are being revised upwards, into the bargain. These are tentatively estimated to amount to 273 billion dollars in 1984, \$323 billion in 1985, \$357 billion in 1986, \$388 billion in 1987 and \$425 billion in 1988. Military spending has nearly doubled from 1980 to 1983--from \$136 billion to \$246 billion; with their proportion of the federal budget having appreciably increased. In 1980 the Carter administration planned \$795.4 billion worth of military expenditure for the subsequent five years, whereas the projected amount until 1988 is \$1,770 billion.

* H. Scoville, MX--Prescription for Disaster, Cambridge, Massachusetts, 1981, p 149.

Washington's very approach to the nuclear arms control talks in Geneva, which the present Administration has, incidentally, agreed to enter into only under public pressure and after a great deal of feet dragging, is clearly demonstrating that these talks are no more than a screen for it to mask quite definite long-term objectives of U.S. imperialism: upset the rough military parity and obtain such a power balance as would enable it to tell its bidding to the Soviet Union and the rest of the world. True, this drive is being carried on with all the propaganda trappings that the present White House masters are known to possess. But that does not change the crux of the matter. The notorious American proposals with regard to strategic arms limitation and reduction called for a dismantling of a considerable proportion of the Soviet ground-based ICBM's, making up the backbone of the Soviet strategic arsenal, in exchange for nothing save some very vague promise to come to terms one day on a reduction of other limbs of the U.S. strategic triad. THE WASHINGTON POST describing the latest "amendments" of the White House proposals, had to admit that the Soviet Union was being asked to give up the pearl in its strategic crown in return for the American's consent to sacrifice a potential they intended to get hold of in the future.

The "interim solution" that the White House had advertised at the Geneva talks on the limitation of medium-range nuclear systems in Europe betrayed an adamant U.S. intention to install, contrary to the peoples' will, some missiles that would spell an unprecedented threat to the entire European continent. Creating a dead-end situation at the talks by pressing ahead with unacceptable initiatives (while, naturally, accusing the Soviet Union of intractability) suits Washington perfectly well as it means removing some barriers in the way of its far-reaching ambitions. Senator Alan Cranston, (Dem) a prospective presidential candidate, described the U.S. Administration's obstructionist approach to the Soviet-American negotiations by saying that his government had got into a mess and frustrated the possibility of essential agreement (on arms control--Ed).

While insisting on nothing but the medium-range missiles being the subject to discuss at the talks, Washington is simply refusing to take into account other components of mid-range nuclear capability. The political declaration on security issues, adopted at the Big Seven summit at Williamsburg, has again demonstrated the Western opposition to the British and French nuclear weapons, targeted on the Soviet Union, being considered as part of the overall NATO potential because of their supposedly "autonomous" status. However, even the said summit itself provided some fresh and striking evidence to prove that all references to Britain's and France's "independence" from Washington in the military-political field are sheer nonsense.

A recent special report of the U.S. Congressional Research Service stated unequivocally that all of the 64 British nuclear missiles, installed on nuclear submarines, were "attached to NATO." Although in peacetime they are technically under the control of the British military establishment, they are targeted in line with the directions of the U.S. Strategic Air Command and, in an "emergency," they are at the disposal of the Supreme Allied Commander, Europe.

As far as France is concerned, she has signed the North Atlantic Treaty which requires her to act together with other member states of the bloc in the event of the outbreak of armed conflict. The report just mentioned said that whether France formed part of the bloc's military wing or not was of no importance because the contractual commitment Paris had assumed was just as valid for her as it was for other member countries. Finally, an annex to the new military plan, recently adopted by French Parliament, names the state that is considered to be France's adversary, the USSR, and does so for the first time in the history of the French Republic.

The projected modernization of the British and French nuclear arsenals means that these powers will have over 1,200 nuclear warheads in service within the next decade. So it is only too logical for a growing number of experts and politicians in the West to be describing the Soviet demand for the British and French forces to be counted as "reasonable, indispensable and logical." West German Social Democrats agreed to that in the resolution of their Party's Congress in Munich as early as April 1982. Similar judgements have been voiced at various times by a former U.S. senior negotiator at the SALT II talks, Paul Warnke, Senator Edward Kennedy, and a former chief of the U.S. National Security Council, Zbigniew Brzezinski, to mention just a few.

The adamant U.S. intention to deploy its mid-range missiles in four West European countries fits in perfectly well with the American concept of a nuclear war that could serve to reach their global ambitions without running the risk of being destroyed in it.

The scenario of "limited" or protracted nuclear war provides for a kind of hostilities involving no American strategic nuclear forces so that the U.S. itself could stay away from the nuclear conflagration that would engulf Europe.

A U.S. naval build-up program, going on apace, is yet another element of the drive to obtain military preponderance over the Soviet Union. In addition to a force of submarines, each designed to be fitted with 24 SLBM's, Trident 1 and Trident 2, the Department of Navy is preparing to solicit the funding of the development of a new submarine of something like 10,000-ton displacement, that is considerably superior to the Los Angeles-class submarines of under 7,000-ton displacement now in service. As Admiral J.D. Watkins, Navy Chief of Staff declared the new submarine was being developed for the express purpose of conducting combat operations in the Arctic and would be "perfect enough" to stay on in service in the next century.⁶

III

What has become an essential component of the "crusade" against the socialist community is the administration's strategy of external economic relations which is dictated not only by the objectives of intensified "confrontation with world communism," but also by the U.S. determination to reinforce its shattered positions in its competitive struggle against the countries of Western Europe and Japan. The United States' attempts to draw those countries--contrary to their obvious political and economic interests--into economic warfare against the Soviet Union have been made against the backdrop of high interest rates,

restrictions on imports of European steel as well as of EEC farm products and Japanese cars to the United States. The Administration's economic strategists reckon that a disruption of the economic links that developed in the years of detente and a paring-down of East-West scientific and technological contacts would make it possible to weaken both the USSR (which Washington is making no secret of) and Western Europe and Japan (which it, naturally, would rather pass over in silence).

Some restrictions on loan granting to the Soviet Union came to replace the ban on the supply of equipment for the Siberia-Western Europe gas pipeline project which Washington had to lift under pressure from its allies. A whole series of special studies has been undertaken under the NATO auspices in a bid to "prove" that normal trade and economic relations with our country are impermissible because they, it has been argued, contribute towards building up the military power and, consequently, the "aggressiveness" of the Soviet Union.

The United States, THE NEW YORK TIMES pointed out, was seeking to make Moscow "come to its senses" (!) and the "countries of the Soviet bloc"--follow the U.S. rules of the game. The National Security Directive No 75, has, in point of fact, revived Truman's unpardonable approach to trade and economic relations with the USSR. As the LOS ANGELES TIMES indicated, Reagan had ordered his government to try and influence the domestic policy of the Soviet Union through trade and other economic pressure.

One striking fact to demonstrate the militarization of Washington's external economic policy has been the Pentagon's direct involvement in it. An annual report of the Department of Defense to Congress bluntly asserted: "Everything that strengthens the Soviet Union at the present time, weakens the cause of freedom in the world". The framers of the report were manifestly preoccupied with using the supplies of Western technology for "liberalizing the Soviet political system," that is, for undermining the socialist system, claiming that to be an "indispensable condition" for the economic development of the USSR. To follow that logic, one would have to believe that the Pentagon has nothing short of our economic prosperity at heart when trying to rob the Soviet Union of the advantages of the international division of labor! In alliance with some legislators, the Administration is hatching the idea of creating a Federal Strategic Trade Board or some other department to be in charge of all aspects of trade and economic exchange with the USSR and other socialist countries and to operate under the Pentagon's and the CIA's direct control.

That is to say, that the Reagan government had carried out an "almost hundred percent revision" of Washington's approach to economic relations with the USSR, as a prominent authority on Soviet-American relations, W. Highland wrote. He explained that "revision" as one of passing from the view, typical of the period of detente, that these relations were a key factor in political normalization, to considering them, essentially, as a means of punishment.* Clearly underestimating the Soviet Union's technical capability and economic strength, the Washington Administration has been inclined at the same time to greatly overrate the American and, indeed, the Western chances of "influencing" the USSR in that area.

* FOREIGN AFFAIRS, No 5, 1982, p 542.

Another thing of no mean importance underlining the entire absurdity of the course followed by the United States, is that its West European allies as well as Japan are refusing to toe the American line unconditionally. That has been most cogently illustrated by Washington's own action in lifting its sanctions against those West European companies which, defying the White House ban, honored their contracts for the delivery of equipment to the USSR for the Siberia-Western Europe export gas pipeline.

This fact--whatever the motivation by official U.S. quarters--signified an unequivocal admission of the failure of dictatorial economic policies in respect both of the USSR and of Western Europe. It stands to reason that this zigzagging of the White House earned the Administration no glory. Washington's inconsistency stood out against the background of confused and clumsy explanations of the necessity of "sanctions". Those were dished out now as a kind of "punishment" of the Soviet Union for the "events in Poland", now as a way to keep "shortsighted" Western Europe from being "excessively dependent" on the USSR for the supplies of energy resources, etc.

Nevertheless, Washington has not been desisting--and the Williamsburg Big Seven summit has shown that once again--from attempts to force its allies into adopting a kind of "common approach" to trade and economic links with the USSR, while exercising monetary pressure on West Europeans and making full use of the weapon of protectionism against them and Japan.

The very serious economic crisis of Western Europe was, as the United States expected, to have made its allies more amenable to its will in economic and, in fact, in political matters. Indeed, it has been acknowledged everywhere that the Western countries are in the grip of deep-going recession. However, it is precisely that circumstance which, to follow the Administration's logic, ought to play into the U.S. hands, that is just about the most solid argument for West Europeans to press for the maintenance and promotion of normal trade and economic exchanges with the countries of the socialist community.

The Reagan administration's obstructionist line on East-West trade remains an essential factor of American-West European differences, considering its refusal to moderate its stance in its own economic policy towards its allies. The extent of these differences prompts leading American experts on international affairs to speak about a "serious crisis" in the Atlantic Alliance. One of them, R. Osgood, pointed out in his article "Reanimation of Deterrence" that it was particularly important that this crisis reflected the fundamentally opposite methods of approach to East-West relations and that it was taking place at a time when the United States had lost its economic and military preponderance which it had before the early 1970's and, consequently, lost much in the sense of the confidence of its allies and its own ability to influence them.* So it is by no means a chance occurrence that to "outline" economic policy in respect of the Soviet Union should have become an object of close-fought rivalry even in the upper echelons of power in Washington--between the National Security Council and the Department of Defense pressing for the toughest possible line, on the one hand, and the State Department, holding more flexible positions, on the other.

* FOREIGN AFFAIRS, No 5, 1982, p 478.

With more than two years gone since the present Administration took office, one can spot two regions which the Administration has been trying to convert into top priority testing grounds for demonstrating the determination to oppose the "spread of Communist influence:" Central America and the Middle East. A summing-up document of the National Security Council about U.S. policy towards Central America and Cuba, published by the NEW YORK TIMES, unequivocally proclaimed the U.S. object to be to prevent any new Cuba type of state from appearing in that region, describing that as a point of vital interest to it in the strategic sense, for that would, the document claimed, undermine America's global positions and cause economic disarray. The drive to destabilize and overthrow whatever governments Washington does not find to its liking in the Caribbean by every means possible--from an economic blockade and CIA subversion to direct involvement in the armed intervention against Nicaragua provides the best imaginable evidence to expose the essence of American imperialist policy. This comes together with a clamorous campaign, typical of the Cold War times, to bring back the notorious "domino theory" which was used at one time in a bid to justify the United States' Vietnam venture. The U.S. Ambassador to the UN, Jeane Kirkpatrick has self-righteously claimed that there was a plan afoot to create a communist Central America, and that, she argued, would have serious consequences for America's security and for that of her European allies.

Speaking at a press conference in New York early in August 1983, Gus Hall, General Secretary of the Communist Party of the United States, declared that the Reagan administration, ignoring public outrage and flouting American and international laws, was recklessly moving towards undisguised aggression in Central America. The American Communist leader warned that Washington's interventionist course could plunge the U.S. into yet another Vietnam venture.

Largely similar methods have been applied in the Middle East. Israel's aggression against Lebanon proved to be a logical sequel to Camp David in the sense of establishing the strategic domination of the Middle East by U.S. imperialism. Special accent is being laid on the consolidation of the alliance of the U.S. and Israel, as well as on legalizing direct American military presence in that region. It is these objectives that one finds reflected in the Pentagon's latest annual report to Congress, directly linked up, as they are, with the U.S. intention to prevent the growth of Soviet influence in that region. The setting up of a Central Command (CENTCOM) by Washington, with its area of operations to cover 19 countries of the Middle East region and the Persian Gulf has clearly demonstrated the expansionist ambitions of U.S. imperialism.

Washington is carrying on a long-term program of full-scale military preparations in the Pacific, centering on the utmost consolidation of the alliance of Washington and Tokyo and on bringing Japan into the NATO fold. There is a sweeping effort under way to put together some new blocs, for example, an alliance of the U.S., Japan, and South Korea; in the meantime, other states of Asia and the Pacific are being drawn into the ambit of aggressive imperialist policies.

The militarization of U.S. foreign policy can well be seen, besides, in unprecedented American arms sales abroad. A special study by the policy-making

committee of the Democratic group of the U.S. Congress pointed out that the earnings from arms sales abroad in fiscal 1982 attained a record-breaking total of \$21.5 billion (with \$15 billion worth of arms having gone to the developing countries). One may well feel worried by the growing volume of supplies of most updated offensive weapons systems to such countries as Israel or Pakistan, that is, the U.S. customers.

IV

We would, quite obviously, not have a full picture of Reaganism as a specific phenomenon without assessing, if in brief, its social and economic aspects. The sum and substance of what has come to be known as "Reaganomics" has been the reduction of income and corporate taxes along with paring down appropriations for social needs supposedly to make more money available for investment in the economy. During the time Reagan has been in office, the proportion of corporate taxes in the federal government's overall budget proceeds has been halved--from 10 percent in 1981 to 5 percent now. Reaganomics means deliberately shifting the burden of the United States' gigantic military expenditure on to the worse-off sections of the population, and a head-on attack on the vital interests of the working people.

The foreign press, including the U.S. press has found the record of Reagan's government during its first two and a half years to have been most discouraging for the Administration. This has been the period that saw a deterioration of the United States' relationship with many countries, including America's closest allies. Washington's "brinkmanship" has aroused some vehement protests all over the world. The response of the peoples to the aggressive preparations of U.S. imperialism has been to launch a sweeping movement for peace on either side of the Atlantic. In the United States itself, too, there is a growing resistance to Reagan's foreign policy. Opinion polls have been showing more Americans to believe that "Ronald Reagan may get the U.S. involved in war". Accordingly, there is a declining proportion of those who have ever approved of the Pentagon's pace in pushing up military spending. The U.S. Congress is known to have spoken out for a substantial cut of the 10 percent increase of military appropriations for fiscal 1984, proposed by Reagan. Legislators have been objecting, besides, to the Administration's plans to draw the U.S. into yet another venture in Central America, like the one in Vietnam.

One effect of "Reaganomics" has been to produce the worst economic crisis the United States has ever experienced since the "Great Depression" of the early 1930's. The "public pie" is being redistributed to favor the rich in unprecedented proportions. The deplorable state of the U.S. economy is no warrant at all for Washington's global ambitions and for its claim to restore "American world leadership." Nor is there any encouragement to be drawn from the up to \$200 billion budget deficits--if seen, in particular, against the background of the President's election campaign promise to end the deficit by the end of his presidential term. Democrats have unequivocally charged the President with attempting to divert the Americans' attention from "deplorable failure in his economic policy" by trying to instill fear into their hearts and to conjure up the ghost of a Soviet nuclear threat.

Official Washington's zigzagging and changing tactics become more evident as there is mounting pressure on it from public opinion, disturbed by its reckless policies, both at home and abroad. Virulent attacks of the extreme right have been made even against those few publicity-seeking White House gestures which have been designed to reassure the Administration's numerous critics at home and abroad. Be that as it may, Reagan remains an exponent of the interests of the extreme right who brought him to power and who still make up his political base, as well as a prisoner of his own extremely conservative political philosophy. This "double screw"--from the right and from the left--is what explains the occasional readjustment--not of the essence of Reagan's policy--but of the ways and means of selling it to the public.

Reaganism as a phenomenon is coming into an increasingly dramatic conflict with the political realities of modern times. A mixture of dyed-in-the-wool obscurantism with nostalgic recollections of the imperial greatness long since gone is now being presented by those at the helm in Washington as a line supposedly responding to the national interests. Beyond question, Reaganism, as a policy of whipping up all kinds of reckless gestures does respond to the interests of a section of the dominant class in the United States, for it allows America's present-day economic and political troubles to be seen as nothing but a result of some "scheming by some sinister forces" armed with ideas "hostile to Americanism," rather than as a consequence of glaring internal contradictions of U.S. capitalism and a natural upshot of its imperial foreign policy. Force worship and appeals for a "recapture of America's erstwhile greatness," all typical of the Reagan administration, along with the full-scale arms buildup, are a reflection of the deep-seated crisis of the capitalist system as a whole.

The events of recent times have been clearly demonstrating the extreme danger to peace that Washington has been creating by its policy of raising tensions in international relations. The hysterical hostile campaign played up by the U.S. Administration over the tragic South Korean airliner incident, is a major act of ideological and political subversion quite consonant with the spirit of Reaganism as the driving force behind U.S. foreign policy in recent years. The object behind that act of subversion is perfectly obvious: it is to try and justify the policy of escalating nuclear folly, gag the critics of gambling policies at home and abroad, get huge military budgets railroaded through Congress, discredit the anti-war movement, and lay the ground for ditching all possible accords at the arms control talks going on in Geneva and, finally divert everybody's attention from the United States' military expansionism in the Middle East, Central America and other regions.

The staging of the gross act of provocation by Washington with the use of a South Korean airliner has been of a piece with U.S. imperialism's increased activity in the North Pacific and in Northeast Asia. Its strategic objective has been, as the NATIONAL DEFENSE magazine pointed out, to create a threat in that region to the vitally important interests of the USSR. This has been illustrated, besides, by the plans to station an American F-16 squadron in North Japan and deploy a carrier-born task force in the Pacific ports of the United States.

Reaganism as a policy of rabid militarism and as one of whipping up war jitters has been increasingly coming into conflict with the vital interests of humanity.

JUNE 1983 UNCTAD SESSION DISCUSSIONS SURVEYED

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 10,
Oct 83 pp 78-93

[Article by N. Zaytsev: "For a Normalization of International Economic Relations"]

[Text] The Sixth UNCTAD Session was held from 6 June through 3 July 1983 in the Yugoslav capital of Belgrade. The preparations for the session, which lasted several months, the course of its work and, finally, the results of the biggest international forum on trade-economic problems attracted the attention of the broad world public and give rise to a multitude of evaluations and commentaries on the part of leading political figures of various countries, international and national organizations and the mass media.

Such attention to the recent UNCTAD session was by no means fortuitous. It was brought about by a whole number of circumstances, namely, the great political weight and impressive balance sheet of the results of the activity of this organization, the unusual seriousness and complexity of the economic problems currently confronting the world community, primarily the developing countries, and, finally, the highly representative nature of UNCTAD-VI.¹

I

UNCTAD, in whose activity 166 states, including the Soviet Union and the other socialist countries, currently participate, was founded, as is known, in 1964 on the basis of UN General Assembly (19th) Resolution 1995. The organization was endowed with important functions with respect to encouraging trade between countries at different levels of development, between developing countries and also between those with different socioeconomic systems; determination of principles and policies in the sphere of international trade and problems of economic development; and the development of recommendations and the adoption of measures aimed at the realization of these principles and policies.

In its almost 20 years of activity UNCTAD has made a definite contribution to the development of international trade and assistance to the economic progress of the developing countries. To its credit may be attributed the development and adoption of such important trade-political decisions as "The Principles

Determining International Trade Relations and Trade Policy Promoting Development" (1964); the General System of Preference (1970); the Integrated Raw Material Program (1976), within whose framework the Common Fund was established in 1980; the Collection of Just Principles and Rules Coordinated on a Multilateral Basis for Monitoring Restrictive Business Practices (1980); and the Basic New Action Program for the Least Developed Countries (1981).

Work on agreeing a charter of states' economic rights and duties has been performed and various aspects of a new international economic order (NIEO) have been discussed within the UNCTAD framework. The organization's contribution in respect of other areas also, particularly in the sphere of the development of a code of conduct in technology transfers and a number of international commodity agreements, the development of economic cooperation between developing countries, international currency-finance problems and the development of trade between states with different socioeconomic systems, is considerable. In the time of its existence UNCTAD has expanded the spheres and forms of its activity considerably and become not only a forum for discussion and a place for the study of urgent problems of world trade and development but also an important negotiating center.

The Sixth UNCTAD Session was convened in an exceptionally complex situation. There had been a marked exacerbation of the international atmosphere on the eve and at the outset of the 1980's as a result of the policy of the most aggressive circles of imperialism, primarily the United States. The deepening economic crisis in the developed capitalist countries had created socioeconomic problems, primarily for the young states, which were difficult to solve. Impediments to normal economic cooperation engendered by the crisis had become more rigid and instances of the use of discriminatory measures, for reasons of a political nature included, against the socialist and developing countries had become more frequent. Present-day global problems--food, energy, raw material--had become even more exacerbated. As Yugoslav Foreign Minister L. Mojsov, chairman of UNCTAD-VI, observed, "the present session, as distinct from preceding sessions of the conference, is assembled under considerably more complex and unpropitious political and economic conditions. This complicates our tasks and considerably increases our responsibility."

UNCTAD Secretary General G. Corea (Sri Lanka) spoke about this in his report to the conference "Development and Recovery: Realities of the New Interdependence". In his opinion, the sixth session "is meeting against the gloomy background of the crisis of the world economy. This crisis has influenced practically all countries and created the most unfavorable economic situation since the 1930's.... But it is not only countries which are experiencing the crisis.... The systems themselves on which international economic relations in the sphere of currency, finance and trade have been supported have proven susceptible to the constant blows and strain. In reality these systems themselves are in a state of crisis."²

The crisis in the world capitalist economy has had the most dramatic consequences for the developing countries. It is they which have suffered considerably in recent years from the decline in the prices of their raw

material export commodities (these prices were in 1981-1982 in real terms at the lowest level for the last 45 years). The difficulties in the traditional raw material markets are being made worse by the policy of protectionism pursued by the Western powers in respect of imports from the young states of finished products and semimanufactures. As a result the latter's export proceeds from 1980 through 1982 fell by \$40 billion. Their foreign debt has assumed astronomical proportions (over \$600 billion in 1982). Debt-servicing payments, the bulk of which are accounted for by resources borrowed from private Western banks at high interest, have increased absolutely and relatively. A number of developing countries, including the biggest and most economically developed states like Mexico, Argentina and Brazil, has found itself in the grip of financial difficulties. Debt payments amounted in 1982 to 24 percent of aggregate proceeds from exports, and 40 percent for the 20 biggest debtors.

The decline in the emergent states' export proceeds, the sharp increase in their debt payments and difficulties in obtaining new loans and the continuing outflow of resources have led to the formation in them of large balance of payments deficits and a considerable reduction (by roughly \$85 billion in the period 1980-1982) in import potential. The exacerbation of foreign economic difficulties in combination with the unsolved domestic socioeconomic problems led in the 1980's to a slowing of and then to a fall (by 0.7 percent in 1982) in the young states' economic growth rate, and, furthermore, their per capita gross domestic product declined 2 percent in 1981 and 3 percent in 1982.

Under the conditions of the crisis which has embraced the world capitalist economy there has been a deterioration in the already grave living conditions of a considerable part of the population of the developing world. The number of wholly and partially unemployed now constitutes from 400 to 500 million, 1 billion people are permanently undernourished, 500 million are starving, over 1 billion inhabitants of the developing countries lack normal housing conditions, medical assistance, access to education and so forth.³

The attempts of Asian, African and Latin American states to alleviate the burden of their problems by way of negotiations with the developed capitalist countries within the so-called North-South dialogue framework have not been crowned with any serious success. On the one hand the material foundations of "development assistance" in the channel of "official development aid," primarily via multilateral financial institutions, a system of trade preferences favoring the developing countries and so forth, which is extensively publicized by the West, have been subject to considerable erosion under the crisis conditions. On the other, there has been a pronounced toughening, particularly following the assumption of office in the United States of the R. Reagan administration, of the Western powers' stance at the negotiations with the developing countries on questions of international economic cooperation and development both within the United Nations and outside.

The results of the biggest international economic forums of recent years (the UN General Assembly, IMF and World Bank sessions, the GATT Ministerial Session in November 1982 and the Third UN Law of the Sea Conference) testify to this. Even the minimal promises of the developed capitalist states which they made at the Cancun (October 1981) meeting have remained on paper. The United

States and certain other Western powers are, as before, blocking the convening of global negotiations. Referring to the above-mentioned "assets" of the North-South, more precisely, West-South talks, the UNCTAD secretary general had every reason to state that its sixth session was being convened in an atmosphere of "failures and disappointment."⁴

UNCTAD-VI was, consequently, confronted by complex tasks to normalize international economic cooperation. The agenda incorporated the most substantial and pressing problems of current international economic relations. The main attention was concentrated on the following points:

the world economic situation with particular emphasis on development: evaluations of the present economic crisis in the world capitalist economy and prospects for the 1980's, including questions of the direction of policy and measures connected with the establishment of a NIEO;

an examination of the course of fulfillment of the Integrated Raw Material Program for the purpose of adopting measures to assist raw material trade and development;

questions of the international trade in commodities and services, particularly protectionism and structural reorganization; study of the influence of principles, policies and practice in international trade relations; and measures to expand trade and promote development, particularly in the emergent states; and

currency-finance questions, including changes in this sphere affecting trade and development, particularly in the developing countries; and measures aimed at the expansion of all flows of state and private resources, particularly an increase in the net flows of financial resources, an improvement in the conditions of the transfer of resources to the young states and simplification of the regulation of balances of payments.

In addition to this, the conference examined the course of implementation of the so-called Basic New Action Program for the Least Developed Countries (LDC) and also UNCTAD activity in the sphere of technology transfers, navigation, economic cooperation between developing countries, assistance to national liberation movements and so forth. The question of trade relations between states with different socioeconomic systems was examined separately.

Such a crowded agenda targeted the participants toward an all-around discussion within the conference framework of the key present-day economic problems and the formulation of measures to overcome the crisis and normalize international economic cooperation.

II

The convening of the Sixth UNCTAD Session was preceded by a considerable amount of preparatory work at various levels. The stage of the formulation and coordination of positions within individual groups of the conferees⁵ largely determined the course of the session, the possibilities of achieving compromise on the questions discussed and ultimately its results themselves.

The basis of the discussion at UNCTAD sessions has traditionally been the Group of 77 program. Regional coordinating conferences of countries of Africa (Libreville, Gabon), Asia (Baghdad, Iraq), and Latin America (Cartagena, Colombia) were held at the start of 1983 in the course of the preparations for UNCTAD-VI. The positions of the regional groups were then discussed at the Fifth Ministerial Conference of the Group of 77, which was held in Buenos Aires (Argentina) from 28 March through 9 April 1983. The outcome of this conference was the so-called Buenos Aires platform,⁶ which differs to a large extent from preceding analogous Group of 77 documents, which represented comprehensive declarations with an assessment of the world economic situation and the problems discussed at UNCTAD Sessions.

The latest document was constructed in accordance with an entirely different outline. It also contains two important elements of a general character--"Buenos Aires Message Appealing for Dialogue and Consensus" and "Ministerial Declaration"--it is true. Draft resolutions or proposals concerning individual points of the conference agenda constituted the basis of the document, however. This approach, in the opinion of the developing countries, enabled them prior to its convening to state their positions with respect to individual issues and to attempt from the start of the work of UNCTAD-VI to shift the center of gravity to negotiating activity for the purpose of reaching an understanding on the specific draft resolutions. At the same time the two above-mentioned documents of a general political nature provided in laconic form a capacious and, as a whole, sufficiently objective evaluation of the current world economic situation and the problems of development and also pointed to a readiness to negotiate with partners from the developed countries on a "dialogue and consensus" basis.

The "Buenos Aires Message Appealing for Dialogue and Consensus" spoke of the developing states' intention of displaying in Belgrade a "spirit of understanding and cooperation" and called on other countries to occupy the same position at the conference. The document also spoke of the importance of the formulation of a concerted program to revive the world economy and accelerate the development of the emergent states and confirmed the need for interlinked actions in the sphere of raw material, trade, currency and finance and development on the basis of a combination of urgent measures in the spheres of paramount significance for the developing countries with the reorganization of international economic relations leading to the establishment of a NIEO. The "Buenos Aires Message" also emphasized the menacing consequences of the present world economic crisis for international peace and security.⁷

By virtue of the importance of the evaluation contained therein, the "Ministerial Declaration" merits special attention. Providing a general description of the current world economic situation and the particular problems and difficulties of the developing countries and also certain issues raised by the Group of 77 earlier (concerning the convening of global negotiations, the role of cooperation between developing countries in the establishment of a NIEO and the need to strengthen the role of the United Nations in world affairs, for example), it contains a number of new fundamental propositions defining the Group of 77's position on international economic issues. In summary form these propositions appear thus:

the present crisis in the world capitalist economy "is not simply a phenomenon of a cyclical order. It is primarily a consequence of structural imperfections in practically all spheres of the international economic system";

"the global nature of the crisis demands global solutions.... Certain developed countries' use for political purposes of subversive and discriminatory economic measures against the developing countries is increasing instability and injustice in international relations and making the developing countries' position even more serious." The international community must formulate "new rules and principles aimed at stable and just international development";

the ministers welcome the proposal of the Seventh Conference of Heads of State and Government of the Nonaligned Countries concerning the adoption of a program of urgent measures in spheres of paramount significance for them, including the convening of an international currency and finance for development conference;

"questions pertaining to the world economy, international economic relations and development are directly connected with questions of peace and stability. Their separate examination harms security in the world not only in the military-strategic respect but also by virtue of the serious national and international economic consequences which it could bring about. An easing of tension throughout the world, a halt to the arms race and effective disarmament measures, which would release the resources so needed for development, are vitally necessary for global economic development"; and

"the dangers which the crisis is creating for peace and stability are too great and the price of inaction is too high. All groups of countries must make concerted efforts in this direction. They must unite to build in an atmosphere of mutual trust a balanced and just system of international economic cooperation."⁸

The propositions of the Buenos Aires declaration in respect of item 8 of the conference agenda "Survey of the World Economic Situation With Particular Emphasis on Development..." echo the basic conclusions of the "Ministerial Declaration". This Group of 77 document again pointed to the grave consequences of the economic crisis in the centers of capitalism for the national economy in the young states, emphasizing that "this crisis has demonstrated dramatically the unsuitability and limitation of the existing international institutional framework.... From the very outset the international finance and commercial institutions were intended to serve the interests of the developed world.... The functioning of these institutions and their policy are now subordinated to political and other alien considerations unrelated to the problems of development and the needs of the developing countries."⁹ The above-mentioned program of urgent measures drawn up on the basis of the Group of 77 draft resolutions on questions of raw material, trade, currency and finance and also fulfillment of the Basic New Action Program for the LDC was an integral part of the declaration.

Both as a whole and in respect of individual questions of the agenda the developing countries' position appeared sufficiently impressive and cogent. Never before, perhaps, had the Group of 77 appeared at the conference so well

prepared in such good time. Its position was distinguished by an understanding of the urgent nature of the problems of development and the need to overcome the consequences of the crisis of the world capitalist economy and for an improvement, in the interests of the developing countries included, in the political situation in the world and by specificity in the examination of individual questions. The approach to the negotiations was also new: the developing countries declared that they would negotiate not as an insistent supplicant but as an equal partner prepared for mutual understanding, dialogue and consensus. This approach, it was supposed, would help them achieve in Belgrade more impressive results.

One is struck by the interconnection of the "Buenos Aires Platform" and the Economic Declaration of the New Delhi conference of the nonaligned movement. Many specific proposals of this forum (including a number of the most material) were organically inscribed in the summary documents of Buenos Aires and were examined at UNCTAD-VI.

Without going into a detailed analysis of the Group of 77's position at the conference on individual issues, I would like to emphasize that this position, which has sufficiently impressive grounds as a whole, was not without shortcomings. In some cases proposals which were not entirely realistic or knowingly unacceptable to other groups of countries were put forward, in others, as had been the case earlier, the demands and complaints were unjustifiably addressed to all the developed states, including the socialist states, and the fundamental differences in their economic system were not taken into consideration, which created additional impediments and ultimately objectively weakened the Group of 77's positions at the negotiations.

The Western powers (members of Group B) formulated their position at UNCTAD-VI, as usual, within the OECD framework. The final communique of this organization's council, which met at ministerial level on 9-10 May 1983, said that "the ministers welcome and share the importance of world economic interdependence, dialogue and consensus noted quite recently in Buenos Aires in the declarations of the developing countries. They confirmed their readiness to work in a spirit of understanding and cooperation with the developing and other countries participating in UNCTAD-VI... for the purpose of the achievement of a common understanding of current world economic problems."¹⁰ The final communique, which was sustained in such general expressions, contained no specific proposals concerning the ways in which the developing countries might overcome the consequences of the crisis and confined itself in this respect to the hope that in line with the economic recovery in the West the emergent states "will benefit from the increased demand for their export commodities and from the higher prices for raw material."¹¹

The Williamsburg (United States) meeting of the leaders of the seven biggest Western powers on 28-30 May 1983 undoubtedly had a determining impact on the position of the OECD countries.¹²

The meeting in Williamsburg, like the OECD Council session, in practice failed to respond to the essence of the questions raised by the developing countries and conveyed by way of personal messages of the leaders of a number of these

countries to the participants in the meeting. The results of the meeting in Williamsburg elicited an extremely negative reaction on the part of the young states. And many representatives of the West were far from uniform in their evaluation of the Seven's position in respect of the developing countries. Thus G. Thorn, chairman of the European Communities Commission, declared that the meeting paid too little attention to the economic problems of and assistance to the world's poor countries.¹³ The hard line of the United States on questions of relations both with the socialist states and with the developing countries prevailed thereat as a whole, although in the "Economic Declaration" the latter were promised in the future "more open markets and global economic recovery." The unity of the leading Western powers achieved in Williamsburg essentially on American standpoints was carried over, as it were, to Belgrade, where the hard, sometimes almost uncompromising line of the West predominated throughout the bulk of the session's work.

A great deal of work on preparing for UNCTAD-VI was performed by the socialist states--the members of Group D. The high-minded approach of the Soviet Union and the other socialist countries to the problems pertaining to the competence of the conference was reflected in the Political Declaration of the Warsaw Pact adopted in January 1983 in Prague. The document points directly to the fact that "a fundamental factor of economic stability and an improvement in the international political climate is the elimination of underdevelopment, a gradual reduction in the gap in economic development level and the ensuring of conditions for the harmonious growth of international relations in the sphere of the economy, science and culture. In this connection the conferees confirm their position in support of the reorganization of international economic relations on a just and democratic basis, the establishment of a NIEO and full sovereignty for the countries of Asia, Africa, Latin America and Oceania over their natural resources. They advocate the speediest start on their natural resources. They advocate the speediest start on global negotiations on the most important economic problems in accordance with UN decisions."

The results of the socialist states' preparatory work were summed up at a meeting of CEMA foreign trade ministers in April 1983. This meeting was addressed by the UNCTAD deputy secretary general. The clear high-minded position on questions of the normalization of international economic cooperation and the thorough joint elaboration of specific questions of the agenda ensured the assured and successful work at the session of the Group D delegations.

In speaking of the important preparatory stage of the conference mention has to be made of the contribution of the UNCTAD Secretariat. Special documents which made a detailed analysis of the main problems of the developing countries and the international economic organizations were prepared ahead of time for all items on the agenda. These documents, particularly the above-mentioned report of the UNCTAD secretary general, could, despite the complexity and often contentious nature of individual conclusions and evaluations therein, be of undoubted interest to the Soviet scientific community.

III

The Sixth UNCTAD Session was held at two levels, as it were: in parallel with the general discussion at the plenary sessions there operated in connection with item 8 of the agenda four committees and also numerous contact and drafting groups, which examined individual issues and coordinated the summary documents.

Summing up the general discussion is not easy. Nonetheless, if we attempt to denote the main points of contact of the numerous speeches, we have to highlight two central topics of the discussion. The first was concern for the fate of peace, disquiet in connection with the deterioration in the international situation and recognition of the close interconnection between the struggle for ensuring peace and development. The second topic was recognition of the grave consequences for the developing countries of the crisis which has embraced the world capitalist economy and the need for a search for concerted solutions for the purpose of normalization of international economic cooperation.

The first topic was set out particularly persuasively in the lecture of Indian Prime Minister I. Gandhi, which was delivered on 8 June 1983 within the framework of the Raul Prebisch series¹⁴ and entitled "Peace and Development".

"Development itself," I. Gandhi emphasized, "entirely depends on peace and harmony both within nations and internationally."¹⁵ The speeches of many delegates contained the thought that without the achievement of real progress in the matter of disarmament, solving the current problems of the developing countries is impossible. Thus noting that in the last decade military spending in the world had more than doubled and amounted to approximately \$700 billion, Swedish Premier O. Palme emphasized: "A long urgent reduction in spending for military purposes in the industrially developed countries could pave the way for the expansion of economic assistance to the Third World in the interests of economic and social progress.... In fact a reduction in arms spending could stimulate a new growth of the world economy and thereby contribute to the creation of international economic security. Currently arms are swallowing up resources in short supply connected with advanced technology, which are thereby diverted from peaceful purposes."¹⁶

The basis of the speeches of representatives of practically all the developing countries was support for the "Buenos Aires Platform" as a whole and an examination of current international economic problems from the positions denoted therein. Within the framework of the general discussion they did not confine themselves to pointing to the crisis situation in their countries' economy and the disproportionately large burden which the West is heaping onto them but, as a rule, insistently called for the adoption of practical measures to overcome this situation. Thus the Mexican representative concluded his speech with the words: "The analysis has been made, the diagnosis performed. Specific action is needed."

Many delegates (India, Mexico, Brazil and others) noted the developing countries' growing role in the world economy and world economic relations and

gave an interpretation of interdependence which was essentially their own and different from the Western interpretation. It was pointed out that they account for 20 percent of world capitalist production and over 30 percent of the developed capitalist states' exports. The thought was expressed in this connection that sustained and stable economic recovery in the West was possible given a radical and immediate improvement in economic conditions in the developing countries.

The viewpoint according to which the trend which has been discerned in recent months toward a certain economic recovery in the centers of capitalism will automatically entail an improvement in the economic situation in the developing world, which was actively pursued at the conference by the United States and a number of other Western powers, was sharply criticized. "It would be an oversimplification to believe," A. Said Osman, chairman of the Group of 77 at UNCTAD-VI, emphasized, "that recovery will of itself overcome the present blind alley in which development finds itself." The Indian representative declared even more sharply: "We cannot substitute for a solution a chimera. That the crisis will be ended as a result of an inevitable cycle of economic recovery is at best an idle invention." In the opinion of the emergent states, purposeful measures of a long-term nature similar to those proposed in the "Buenos Aires Platform" are needed for overcoming the "blind alley of development".

The West's foreign economic policy in respect of the developing countries and more extensively--the entire system of relations between the two groups of countries--was also evaluated negatively at the session. To the already mentioned critical points of the "Buenos Aires Platform" should be added the dissatisfaction expressed by a large number of states with the policy of protectionism being pursued by the Western powers and their attempts to introduce to the practice of trade relations with the developing countries the principles of "gradation" and "reciprocity" in the granting of concessions, the use of high interest rates when granting them credit and so forth. The developing countries also noted with disenchantment the failure of the North-South dialogue.

I. Gandhi's lecture perfectly justifiably put the following question also: "To what extent are we free in managing our own affairs and are we not bound by a new variety, a surrogate of colonialism? How otherwise can we explain the power and pressure exerted by means of the monopoly control of capital, the nonadmission to advanced technology, the use of grain supplies for political purposes and the manipulation of information."¹⁷

The delegates of the Group of 77 states put special emphasis on the need for the all-around development of economic cooperation between developing countries, regarding it as an important component of the efforts to establish a NIEO. It was stressed here that the organization of economic cooperation between developing countries would promote not only the development of the participants in this process but also the speedier upturn of the world economy as a whole. The representatives of practically all countries expressed firm and unequivocal support for the activity of UNCTAD, belief in the possibilities of the organization and hopes for the successful conclusion of the sixth session.

It is perfectly obvious that this position is entirely natural. It is precisely within the framework of this organization, universal in composition and democratic in principles, that the developing countries have managed, given the support of the socialist states, to achieve constructive solutions. The Group of 77 again made it clearly understood that it was concerned to see a further strengthening of UNCTAD.

The speeches of the delegates of the Western powers (Group B) represented traditional rhetoric designed essentially to conceal the West's basic line both in the general discussion and at the conference as a whole. The position adopted by the Western powers at UNCTAD-VI showed that they are pursuing their own egotistic interests, not taking account of the interests of the other groups of countries.

This was manifested to the greatest extent in the speech of the U.S. representative, which was pretentiously entitled "The Challenge of Economic Growth". The "merit" of this speech, which in the form and spirit was reminiscent of the lecture of a venerable professor to freshmen, may be considered, perhaps, merely the fact that it set forth in sufficient clarity the basic elements of the present U.S. Administration's approach to questions of international economic relations, particularly to the problems of the developing countries. Reiterating the neocolonialist interpretation of interdependence, the head of the U.S. delegation put the main emphasis on the fact that the world community did not need to exert purposeful efforts to surmount the crisis and assist the emergent states since the economic recovery which had begun in recent months in a number of leading Western countries would via the "driving belt" of world trade contribute to economic growth in the developing states. He recognized the need to strengthen commitments to the struggle against protectionism for an expansion of world trade (although it is well known how in practice such commitments are being met by the United States itself) and proposed the start of preparations for a new round of negotiations under the GATT aegis on a liberalization of trade between North and South by way of a "mutual exchange of concessions" (the latter could mean essentially merely the creation of additional difficulties for exports from the developing countries). The U.S. delegate expressed doubt as to the expediency and usefulness of the conclusion of international commodity agreements, as, equally, these agreements themselves. As a "more effective" means of assistance to the young states in this sphere he recommended a plan of "compensation financing" by the IMF, which, together with the World Bank, not only does not, in his opinion, merit criticism but is "a vitally important and flexible instrument for maintaining all-around recovery and economic development."

Recommending that the developing countries rely on their own efforts, the U.S. representative called on them to assist private enterprise in every possible way. He extolled the role of direct private foreign investments in the emergent countries' economic development and did not refrain from warnings here of "unfavorable consequences" for states which endeavor to somewhat limit the activity of foreign capital. The American delegation's evaluation of the role of UNCTAD, which should serve merely as "an important forum for the discussion of development issues," is also typical. An endeavor to belittle the tasks of the conference also filtered through in the speeches of

representatives of certain other Western countries and international organizations under their control. One was struck by the fact that in his speech the managing director of the IMF did not even mention the very name UNCTAD.

While pursuing a policy of "depoliticizing" UNCTAD representatives of the Western powers by no means failed to raise questions of a political nature. Thus FRG Economics Minister O. Lambsdorff, speaking on behalf of the European Communities Council, spoke of the need to strengthen the "genuine nonalignment of the Third World" and addressed hypocritical appeals to the socialist states to "take part" in the North-South dialogue and increase the amount of aid to the developing countries.

It should be mentioned for fairness' sake that the speeches of the representatives of certain Western countries contained an objective analysis of the current world economic situation, expressed concern in connection with the exacerbated problems of the young states and put forward certain specific proposals on questions of international economic cooperation. Thus New Zealand Prime Minister R. Muldoon advocated the urgent convening of a major new international conference of the Bretton Woods type for the purpose of reforming existing international economic institutions.

A businesslike, constructive position was occupied at UNCTAD-VI by the socialist states (Group D). The Soviet Union and the other socialist countries participated in the sixth session "proceeding from the fact that this session could and should contribute to a normalization of international trade-economic relations and the surmounting of the serious difficulties which have arisen in this sphere." A.N. Manzhulo, head of the USSR delegation, noted that "without a return to normal correct relations between states it is impossible to look for real progress in the economic sphere, including a solution of the problems of trade and development." The delegations of the socialist countries made a comprehensive evaluation of the current world economic situation and revealed the real causes of the sharp deterioration in the conditions for solving development problems. They, in particular, emphasized that many of the actions of the United States and some of its allies have in recent years been aimed directly at undermining international economic cooperation, increasing discrimination and a variety of restrictions in world trade and, what is particularly intolerable, using trade-economic relations as an instrument of direct political pressure and interference in the internal affairs of sovereign states. Behind all this is an aspiration to establish a policy of inequality and diktat in international economic relations.

It was noted at the session that while the world capitalist economy is in a state of crisis, the national economy in the socialist countries is demonstrating a steady growth rate. In the 4 years that had elapsed since UNCTAD-V the national income of the CEMA states increased 9.4 percent and industrial production 11.4 percent, but foreign trade turnover 49.5 percent, and trade with the developing countries, moreover, increased 83.3 percent. Currently the CEMA states are rendering 97 Asian, African and Latin American countries economic and technical assistance.

The speeches of the delegations of the USSR and a number of other socialist states and also statements specially disseminated at the conference adduced data on the amounts of their technical-economic cooperation with the emergent countries and assistance to the latter. These data testify convincingly that in questions of aid to the developing world the socialist states are relatively doing not less but far more than the Western powers. There was also a description of the socialist countries' real contribution to the efforts of the international community with respect to a reorganization of world-economic relations, primarily within the framework of the UNCTAD mechanism. As the greetings of the USSR Council of Ministers to the Sixth UNCTAD Session observed, under current conditions "there is an increase in UNCTAD's role and significance as a body designed to facilitate the development of mutually profitable trade-economic relations between all states on a long-term basis, the strengthening of trust in international economic relations and the creation of conditions for the acceleration of the developing countries' economic growth."

The delegations of the socialist states also made an evaluation of individual items on the UNCTAD-VI agenda and put forward specific proposals on the questions under discussion.

VI

The conference's work on coordinating the summary documents proceeded in a tense atmosphere. Although for the first time in the history of UNCTAD sessions the developing countries had submitted in advance draft resolutions on practically all the questions under discussion, the West by no means hastened at the negotiations to define its position on these resolutions or put forward counterproposals.

Back at the preliminary stage the Western powers proposed in respect of all questions of item 13 of the agenda, that is, in respect practically of the majority of important areas of UNCTAD-VI's work, with the exception of raw material, trade policy and currency-finance problems, that there be merely a discussion and survey without the adoption of final resolutions or decisions. This approach was emphatically rejected by the Group of 77 countries, which were supported by the socialist states.

The tactics chosen by the developed capitalist countries (Group B) consisted of dragging out the discussion of the summary documents and endeavoring to blunt the intensity of the Group of 77's demands, "separate" its proposals and ultimately adopt a minimum of utterly nonbinding decisions. As a result the coordination of resolutions on the main questions (survey of the world economic situation, raw material, trade, currency and finance) began only in the second half of the session, and by the time of its anticipated formal ending (30 June of this year) a considerable part of the wording remained in brackets, that is, remained uncoordinated, the main objections to the text emanating from Group B, moreover.

The most dramatic situation came about in the final days of the conference, when, as many delegations justifiably believed, it was on the verge of complete collapse. The great efforts of the delegations of the developing and socialist countries and the practically continuous work of the drafting

groups and the contact group of the session's chairman made it possible by the morning of 3 July to agree and adopt both on the basis of consensus and by vote a compromise package of resolutions on the main issues. The day before, 2 July, a number of other resolutions in respect of which agreement had been reached earlier was also adopted in plenary session.

UNCTAD-VI adopted approximately 30 resolutions on practically all items on the agenda which were discussed, with the exception of two groups of questions--institutional questions and questions of trade between countries with different socioeconomic systems--which were handed over to the Council for Trade and Development for further examination. The concluding "Statement of the UNCTAD Participants"¹⁸ may be considered the summary document of the session. This document contains in concise form the fundamental evaluations of the current state of the world economy and development problems and also, as an organic part, a program of urgent measures in the sphere of raw material, trade, currency and finance, incorporating fulfillment of the Basic New Action Program for the Least Developed Countries.

The statement is the result of complicated work within the framework of a special work group. The above-mentioned draft resolutions of the Group of 77 on item 8 of the agenda was made the basis thereof. The socialist countries also submitted their considerations on this question in the form of a special positional document, a number of whose fundamentally important elements were reflected in the statement.

The differences in the approach of the West and the Group of 77 to the summary document's goals and character were clearly revealed as it was being drawn up. The Western powers pursued a policy of trying to ensure that the document be of a general, nonbinding nature and not contain the program of urgent measures proposed by the developing countries. They also sharply opposed the incorporation therein of critical evaluations in respect of them and the attribution to the developed capitalist countries of responsibility for the crisis state of the world economy. The Group of 77, on the other hand, endeavored to also enshrine in the summary declaration the resolutions incorporated in the program of urgent measures and specific evaluations and ways of overcoming the difficulties. The final text of the summary document reflects the developing countries' approach to a certain extent.

The statement contains, as a whole, objective evaluations of the present stage of the development of the world economy and trade and also the problems of the former colonies and semicolonies and certain conclusions, which put it among the most important documents on economic issues which have been agreed in recent years by the international community. It emphasizes, inter alia, that "peace and development are closely interconnected.... Stable economic development and an effective international economic order require an atmosphere of peace, harmony and cooperation, and end to the arms race and the adoption of disarmament measures, which would release extremely necessary resources for development." The statement speaks directly of the developed capitalist states' responsibility for the crisis state of the world economy and emphasizes that the "protectionist trends in many countries with a market economy have contributed to the negative development of world trade, including a decline in exports."

At the suggestion of the socialist countries UNCTAD documents for the first time reflect the exceptionally important proposition that "a strengthening of trust in international trade relations between all countries demands, inter alia, that governments refrain from adopting restrictive measures in trade for reasons of a noneconomic nature which would be incompatible with the provisions of GATT and the UN Charter." The statement subjected to a critical evaluation international finance institutions, which, it was noted, "from the very outset have been neither universal... nor always geared to supporting the process of development."¹⁹

The summary document of UNCTAD-VI was approved by the overwhelming majority of delegations. Only the U.S. delegation declined to support it, declaring that it is in content "too negative, one-sided and in some places too ideologized."²⁰ Reservations concerning the summary document were made by the delegations of Great Britain, the FRG and Japan.

In the sphere of raw material resolutions were adopted on the Common Fund and fulfillment of the Integrated Raw Material Program in the sphere of the stabilization and strengthening of the raw material markets and also in the sphere of processing, marketing and distribution and compensation financing of the decline in export proceeds. The fact that the conference accelerated the process of the signing or ratification of the agreement on the Common Fund--the agreement was signed or ratified by over 20 countries in June--may also be considered a result of the work of UNCTAD-VI in this sphere. As of 1 July 1983 some 108 countries had signed the agreement and 54 had ratified it. At the same time, however, this is not yet sufficient for the Common Fund to begin operations.

A comprehensive resolution was adopted on trade issues.²¹ It encompasses international trade in goods and services, protectionism and structural reorganization and the international trading system. It contains a whole number of propositions, which not only confirm what was achieved earlier but also take a certain step forward. Thus in the resolution the developed capitalist countries undertake "to put a stop to protectionism and strictly abide by the regulations they have adopted on the nonimposition of new restrictions" and to "work systematically on reducing and removing quantitative restrictions or measures having a similar effect." The section on the international trading system says that the work of the Council on Trade and Development in this sphere should be performed "with full respect for the principles of most-favored-nation status and nondiscrimination." Great significance is attached under current conditions to the confirmation of the fundamental principles of international trade, which are enshrined in GATT, furthermore. The resolution also contains a special section on UNCTAD activity in the sphere of the trade in services. This was opposed by the U.S. delegation, which had the corresponding paragraphs put to the vote and voted against them.

Four resolutions are contained in the program of urgent measures on currency-finance issues: "state development assistance," international currency issues, multilateral development institutions and foreign debt. The resolutions as a whole reiterate the provisions of UNCTAD decisions agreed on earlier and differ considerably from the draft summary documents originally

submitted by the Group of 77. The resolutions fail to record the developing countries' proposal concerning the convening of an international currency conference. As the Group of 77 representative declared at the final meeting of the session, the minimal hopes that the decisions of UNCTAD-VI might facilitate the increased influx of resources into the emergent countries in real terms to meet urgent development requirements and also pave the way toward an appreciable influx into their economies of financial resources in order that the economy of these countries might "again get on track" have not been justified in this sphere.

The resolutions on questions of raw material, trade policy and currency and finance and also aid to the LDC became an integral part of the so-called program of urgent measures adopted by the session on the initiative of the developing countries.

The conference adopted a number of resolutions on other items on the agenda, including questions of technology transfers, navigation, island and intracontinental countries and economic cooperation between developing countries. These resolutions, which were adopted by consensus, lend, as a whole, new impetus to UNCTAD activity in the said spheres.

An important resolution entitled "Renunciation of Coercive Economic Measures"²² was submitted by the Group of 77 at the final stage of the conference. It notes that "certain developed countries are resorting increasingly to more large-scale coercive and restrictive measures as a means of putting political pressure on certain developing countries" and emphasizes particularly that "all developed countries should refrain from the use of trade restrictions, blockade, embargoes and other economic sanctions, which are incompatible with the provisions of the UN Charter and violate agreements concluded multilaterally and are aimed against the developing countries, being a form of political pressure influencing their economic, political and social development." It is significant that the bulk of Western states, against whose actions the said resolution was directed, opposed discussion of this question and voted against the resolution.

It has to be mentioned that the content of this document echoes the declaration "Restoration of Trust in International Trade,"²³ which was submitted by the socialist states (Group D) and Mongolia. The declaration also condemns the discriminatory measures implemented by the developed capitalist countries in violation of the standards, principles and rules of international trade and contrary to the UN Charter and proposes specific measures to restore trust in international economic relations.

UNCTAD-VI again failed to come to an arrangement concerning such an important question of trade relations between states with different socioeconomic systems. Considerable progress was made in the period between the Fifth and Sixth UNCTAD sessions in the coordination of a comprehensive text of a resolution, in which a comparatively small number of disagreements in the positions of the individual groups of countries were preserved. The absence of an agreement on this question is explained primarily by the sharply negative position of the Western powers, which prevented the incorporation in

the resolution of a section on East-West trade and also opposed a mention in the preamble of the generally accepted principles of international trading relations. Nor was the position of the Group of 77, whose representatives continued to baselessly insist on demanding of the socialist states fixed amounts of assistance to the former colonies and semicolonies of the West, always consistent. Such a position on this question is undoubtedly basically detrimental to the interests of the developing countries for the corresponding resolution provides for a set of wide-ranging measures with respect to the development of cooperation between the group of these countries and the socialist states and also the utmost use of the UNCTAD mechanism for this purpose.

How, then, to evaluate the results of UNCTAD-VI? This is a legitimate question for the developing countries do not conceal their disappointment at the negligible results achieved at the present session. "We believe," A. Said Osman, chairman of the Group of 77, declared, speaking at the final plenary session, "that we have to a considerable extent been unsuccessful in justifying the expectations placed in us by the world community and have let slip a historic opportunity to make an appreciable contribution to world development and recovery. The resolutions which we have adopted are not an addition to the existing program of urgent measures, which, we hope, the conference will adopt. Basically they denote merely a slight advance from the positions which we reached at previous UNCTAD conferences. In reality we had to sustain a difficult struggle even to hold on to these positions."

Such an evaluation is perfectly understandable if we correlate the real results of UNCTAD-VI with the urgent problems of Asian, African and Latin American countries, which became particularly acute on the boundary of the two decades, and with the "requirements" of the developing states which they formulated in the "Buenos Aires Platform".

The main responsibility for the negligible, in the opinion of the Group of 77, results of the session is borne by the Western powers. At the basis of their hard line was, as was pointed out, the position of the United States. "The United States," observers noted, "behaved in the discussions in such a way as to suggest that it was carefully implementing an action program which had been prepared in advance in all parts in order to bring about the collapse of the Sixth UNCTAD Session."²⁴ Indeed, Washington did everything to prevent at the session decisions aimed at implementation of the resolution adopted by the General Assembly back in 1979 on global negotiations within the UN framework on questions of the establishment of a NIEO. The United States also impeded the adoption of a decision on the convening of an international currency-finance conference.

The question arises: why under the conditions of dissatisfaction (for different reasons, naturally) with the compromise package of proposals on the part of both the developing countries and the Western powers, primarily the United States, was the adoption of the summary resolutions nonetheless possible? ✓ The answer to this question was given by the Group of 77 chairman. The developing countries, he emphasized, voted for the package of resolutions for "the spirit of international cooperation is today so fragile that it could not withstand a further blow, which would certainly follow if the conference culminated in total collapse." The fact that in a number of areas the United

States did not fully succeed in imposing its hard line on its Group B partners also undoubtedly contributed to the achievement of the final accords. At the same time the compromise at the final stage of the session was achieved not thanks to equivalent mutual concessions but rather as a result of the Group of 77's forces renunciation of a number of fundamental propositions of the "Buenos Aires Platform".

Nonetheless, we believe, it is hardly legitimate to make an unreservedly negative evaluation of the conference's results. There are sufficiently impressive grounds for such a conclusion. Primarily the session managed to adopt concerted decisions on almost all the questions on the agenda. The results of the conference also testify to the failure of the West's attempts to turn the organization into a "discussion club". UNCTAD emerges from its sixth session having enlisted the support of the developing and socialist countries.

The conference's decisions contain a number of important propositions aimed at the normalization of international economic cooperation and an improvement in the political situation in the world. Never before at UNCTAD sessions had the alarm for the fate of peace sounded so distinctly and never before had so much attention been paid to the interconnection between disarmament and development and the need to halt the arms race, which is disastrous for mankind, and return the world to detente and cooperation in the interests of all countries and peoples.

FOOTNOTES

1. Approximately 2,000 delegates from 148 countries participated in the Sixth UNCTAD Session, and the representatives of over 90 international organizations were present as observers. Some 170 speakers, including heads of state and government of Argentina, Bangladesh, Egypt, the Netherlands, New Zealand, Sweden and Zimbabwe, spoke in the general discussion at the session. The Yugoslav president, the Indian prime minister and the UN secretary general also spoke in the course of the session.
2. See UN Document TD/271, 19 May 1983, p 1.
3. See UN Document TD/271, 19 May 1983, p 9; UN Document TD/272, 11 May 1983, p 3; "Address by J. de Larosiere, Managing Director of the International Monetary Fund before the Sixth Session of UNCTAD," Belgrade, 8 June 1983, p 10; Fidel Castro, "La crisis economica y social del mundo," Havana, 1983, pp 13, 14, 21.
4. See UN Document TD/271, 19 May 1983, p 2.

5. Group work methods are an important organizational feature of UNCTAD activity. All the member-countries are broken down into four groups: A--Afro-Asian, B--developed capitalist, C--Latin American, D--socialist (European). Groups A and C form the so-called Group of 77, which currently numbers 125 states. The PRC does not participate in any of the said groups. The division of countries into groups, which was effected originally purely for organizational purposes (elections to the presidium of conference bodies), in time became a foundation of multilateral economic diplomacy within the UNCTAD framework. The preliminary determination of positions within each group of countries and the subsequent speeches of their representatives from positions coordinated in advance has become characteristic of the work of the conference and its other bodies.
6. See UN Document TD/285, 29 April 1983.
7. See *ibid.*, p 1.
8. See *Ibid.*, p 10.
9. See *Ibid.*, p 9.
10. Quoted from UNCTAD BULLETIN No 193, May 1983, p 7.
11. *Ibidem.*
12. See for more detail MEMO No 7, 1983, pp 109-112.
13. See NEWSDAY, Belgrade, 9 June 1983.
14. In accordance with an embryonic UNCTAD tradition, a lecture is delivered annually within the framework of the organization on problems of the economic development of the emergent countries. Prominent statesmen and scholars are invited to deliver the lectures. The series came to be called "Raul Prebisch" in honor of the outstanding Argentine economist R. Prebisch, the first secretary general of UNCTAD. The first lecture of the series, "The Crisis of Capitalism and The Periphery," was delivered by him in Geneva in July 1982 (see TRADE AND DEVELOPMENT No 4, 1982, pp 1-8).
15. "Peace and Development," Raul Prebisch Lecture by Shrimati Indira Gandhi, Prime Minister of India, Belgrade, June 1983, p 1.
16. UN Document TD/306, 20 June 1983, p 3.
17. "Peace and Development," p 6.
18. See UN Document TD/L 260, Annex.
19. *Ibid.*, pp 2, 3.

20. Quoted from INTERNATIONAL HERALD TRIBUNE, 4 July 1983.

21. See UNCTAD. Conference Resolution 159 (VI).

22. UNCTAD. Conference Resolution 152 (VI).

23. UN Document TD/323, 30 June 1983.

24. GRANMA, 8 July 1983.

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ITALIAN-AMERICAN RELATIONS AT THE CURRENT STAGE

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 10,
Oct 83 pp 125-131

[A. Vinogradov article: "Italian-American Relations at the Current Stage"]

[Excerpt]

II

Top-level military-political contacts between the two countries increased noticeably at the start of the 1980's. There was an official visit of then U.S. President J. Carter to Italy 19-21 June 1980. A joint statement emphasized the "absolute similarity of views" on such questions as the strengthening of the North Atlantic alliance, the situation in Afghanistan, Iran and the Near East, East-West relations and a number of others. Particularly high value was placed on Italy's contribution "to the strengthening of the cohesion of the Western allies." The French business circles' organ--the Paris newspaper LES ECHOS--was, evidently, not that far from the truth when commenting thus on J. Carter's trip: "Not counting Britain, Italy undoubtedly remains the country whose position is closest to those championed by the White House."

The victory at the 1980 presidential election of R. Reagan, the representative of the forces of extreme reaction, brought no appreciable changes to Italian-American relations. The return to office of the Republicans was greeted with unconcealed satisfaction by Italy's most conservative circles, primarily the right wing of the Christian Democratic Party [CD]. In turn, in one of his first interviews the new U.S. President expressed a readiness to promote the further expansion of bilateral contacts "to strengthen the already excellent relations which exist between our countries."

Talks began on 12 February 1981 between American leaders and Italian Foreign Minister E. Colombo, who was visiting the United States. It is significant that he was the first official from West Europe whom R. Reagan received following his assumption of office. The Italian guest also met with Secretary of State A. Haig and Defense Secretary C. Weinberger.

E. Colombo was completely at one with Washington's propositions concerning "the pressing need to talk to the USSR with the maximum firmness and from a position of strength in view of its manifest and flagrant disturbance of the

political and military-strategic balance and the code of detente throughout the world." The CD organ, IL POPOLO, wrote that "a fundamental concurrence of opinion exists" between the interlocutors. The Italian side fully supported the policy of a spiraling of the arms race and the expansion of the U.S. military presence in Europe and the Near East. E. Colombo, according to Italian press reports, reacted positively to the American leadership's repeated assertions that the United States attached paramount significance to relations with Italy and "agreed absolutely with the need for its weightier contribution to the West's formulation and adoption of the most important decisions."

Official Rome's allegiance to "orthodox Atlantism" was also demonstrated at the NATO Council May (1982) Session. Speaking at its opening ceremony, Prime Minister A. Forlani made a number of slanderous attacks on the socialist countries, while Foreign Minister E. Colombo confirmed Italy's support for the American plan for the "modernization" of the European nuclear forces. Despite the strong public protests, he turned down together with the other participants in the session the Soviet Union's proposal concerning a moratorium on the deployment of new medium-range missiles in Europe, which would have made it possible to avoid a new, immeasurably more dangerous round of the arms race and stabilize the situation on the continent.

"Atlantic solidarity" also remained the cornerstone of Italy's foreign policy following the assumption of office on 28 June 1981 of a coalition five-party cabinet headed by the Republicans. To Washington's great satisfaction Prime Minister G. Spadolini made crude attacks on the Soviet Union and its foreign policy in his very first speech, essentially reiterating the slanderous statements of the American side. At the same time he, like his CD predecessors, rejected the USSR's proposal concerning a moratorium on the deployment of new medium-range nuclear missiles in Europe as "totally unacceptable." G. Spadolini did not fail to express readiness to energetically contribute to realization of the White House's aggressive foreign policy program in conversation with R. Reagan on 20 July 1981 within the framework of the Ottawa meeting of leaders of the seven leading capitalist states.

In October 1981 Italy was the first NATO country to announce the assignment of a troop contingent as part of the so-called "multinational peacekeeping force" in the Sinai peninsula with the participation of servicemen from Great Britain, France and the Netherlands, which had been set up under the aegis of the United States to replace the Israeli occupying forces in Sinai. This testified to the further rapprochement of the positions of Italy and the United States on the Near East problem and the departure of Italian diplomacy from the principles of the EEC declaration on the Near East adopted at the meeting in Venice in the summer of 1980. In addition, as the press observed, "the Rome government played a central part in the persistent attempts (by the R. Reagan administration--A.V.) to persuade other West European countries to participate in this measure."

An Italian military subunit (numbering 1,500 men) is also present in Lebanon as part of the so-called "multinational peacekeeping force," which in practice merely serves as a cover for the consolidation of the American "rapid

deployment force" on yet another Near East bridgehead. A year later official Rome unreservedly approved Washington's essentially anti-Arab Near East "peace plan" of 1 September 1982, consenting to a further increase in the strength of the Italian military contingent as part of the "international trilateral disengagement force" in Lebanon. This elicited the liveliest response from the U.S. President, who emphasized that "Italy and the United States are working very closely together on a Near East peace settlement" and that "the United States has no better friend in the world than Italy."

As usual, "complete of similarity of views" was also noted by the Western press in respect of the results of Italian President A. Pertini's trip to the United States from 24 March through 1 April 1982--the fifth transatlantic visit by an Italian head of state throughout the postwar period. Persons of the U.S. President's immediate entourage made a high evaluation of the results of the talks, declaring that "America has now rediscovered Italy for itself, as it were, and considers it one of its best allies and privileged interlocutors." Similar evaluations were also made on both sides in the course of the U.S. President's brief visit to Rome on 7 June 1982. R. Reagan, who met with the Italian president and prime minister and also with the leaders of all parties of the government coalition, said at the end of the talks that "the Atlantic alliance is obliged for its strength to a considerable extent to Italy's resolve to assume important responsibility within the NATO framework in the sphere of our (NATO's--A.V.) common defense."

III

Throughout recent years Italy's ruling circles have, as a rule, supported the policy and actions of Washington and NATO aimed at undermining detente, complicating the situation on the European continent and winding down relations along East-West lines. This has been reflected primarily in official Rome's solidarity with the U.S. position concerning the deployment of a new generation of medium-range missiles in West Europe, including Italy itself, and also with Washington's anti-Polish sanctions. Back in August 1981 Italy's Council of Ministers made the final decision concerning the deployment of 112 American Tomahawk cruise missiles at the Mallocco military airfield in the suburbs of the town of Comiso (Ragusa Province on Sicily). The present U.S. President emphasized with understandable satisfaction that "Italy was the first to respond in the affirmative to Washington's requests" concerning the deployment of cruise missiles on the territory of West Europe.

Later Rome "automatically" supported R. Reagan's so-called "zero option," which he set forth in the National Press Club in Washington on 18 November 1982. The very next day, in France on a working visit, G. Spadolini, chairman of the Council of Ministers, evaluated it at a press conference in Paris as "very positive." Vice President G. Bush made a European tour in February 1983, in the course of which he publicized the United States' notorious "zero option," seeking unconditional support for the latter by all NATO members. Washington's emissary achieved all his goals, as it were, in Italy.

At the same time, however, Italy's ruling circles cannot fail to take stock of the presence in the country of the populous and influential forces of the left and the growing antiwar and antimissile movements. It is for this reason that

there periodically emanate from Rome calls for detente and the preservation of friendly relations with the USSR, wished for the success of the Soviet-American negotiations on limiting nuclear arms in Europe and so forth. In particular, under pressure of the country's public opinion E. Colombo, during an official visit to the United States in March 1983, while repeating the standard assurances of Italy's adherence to the "zero option" and NATO's "twin" decision, at the same time recommended that his American colleagues present a "new initiative" in Geneva as soon as possible. "We European allies of the United States," E. Colombo emphasized, "regard the presentation of new proposals by the American side as an important and timely step which is urgently necessary for shifting these negotiations from deadlock and for the sake of the stage-by-stage achievement of some interim agreement on nuclear weapons on the continent of Europe."

The unconditional support for the position occupied on this issue by Washington convincingly demonstrates, however, the true value of such declarations. It is well known that the so-called "interim option" put forward by R. Reagan's administration at the end of March 1983 was wholly and fully based on the same principles as the "zero option"--the American side's endeavor to obtain one-sided advantages over the USSR. And? Official Rome immediately approved the above-mentioned proposal, as, incidentally, the entire American line at the Geneva negotiations. This was confirmed by Prime Minister A. Fanfani in Washington in May 1983. At the subsequent Williamsburg meeting of the heads of state and government of the seven leading capitalist countries of the West Italy again occupied, according to both the American and the Italian press, the position closest to the United States even compared with other governments of West European countries.

A pro-American line was also adopted by Italy in connection with the situation in Poland. The Italian Government sharply condemned the imposition of martial law in Poland, thereby committing an act of interference in this country's internal affairs. The strong and almost unconcealed pressure of the United States for the purpose of prompting other Western countries to join in the economic sanctions against the USSR and Poland encountered understanding and support in Rome. A personal message from G. Spadolini, chairman of the Council of Ministers, to President R. Reagan, which was sent in response to the latter's letter of 24 December concerning the "events in Poland," was made public on 30 December 1981. Justifying his firmly rooted reputation as an Atlantist, the Italian prime minister gave notice of the decision to suspend negotiations with the Soviet Union on Italy's possible participation in the construction of the Urengoy-Uzhgorod gas pipeline on the far-fetched pretext of "the urgent need for a pause for reflection." At the special NATO council session in Brussels on 11 January 1982 Foreign Minister E. Colombo went even further. Taking the part of the bellicose line of the Americans, he made a number of crude anti-Soviet pronouncements, urged a tougher line in respect of the USSR and Poland and even criticized the then FRG leadership for "excessive pliancy and unjustified spinelessness." THE WASHINGTON POST pointed out plainly: "Whatever the disagreeable features in NATO, Italy represents a bright spot against the general background, in any event, from Washington's viewpoint, and this should at least balance out certain difficulties with the other countries."

The concurrence of the positions of the United States and Italy has also been noticed repeatedly on such problems as the Madrid meeting, the situation in the Mediterranean and others.

IV

That the price of "Atlantic solidarity" sometimes proves inordinate, while the expressions lavished on Italy's ruling circles of Washington's "particular gratitude" cannot compensate for the costs of such a policy was confirmed by the events which followed the U.S. Administration's imposition of economic sanctions against West European companies in connection with the "gas for pipes" deal. Certain disagreements and contradictions, which were hitherto deeply buried, were revealed in Italian-American relations. R. Reagan's decision of 18 June 1982 to ban the sale to the USSR of American technology and equipment produced abroad under license of American companies for their subsequent use in the construction of the gas pipeline unequivocally confirmed how little heed the White House pays to the interests of its allies. These discriminatory measures hit the positions of the Italian monopolies particularly heavily: for the very big Italsider metallurgical company, for instance, the above-mentioned restrictions, according to preliminary suggestions, meant a drop in production of 18.3 percent.

Like its EEC partners, Italy reacted to the sanctions negatively, to which the special statement adopted by the EC Council of Ministers 21-22 June 1982 in Luxembourg at foreign minister level testified. E. Colombo deemed it necessary to send a special letter to Secretary of State A. Haig literally a few hours before the latter's resignation on 25 June in which he rejected the U.S. demands. Head of Government G. Spadolini went even further, sharply assailing the U.S. Administration. Receiving F.-C. Ortoli, vice president of the Common Market Commission, the same day, he declared: "These decisions, which have caused great disquiet in Italy and Europe as a consequence of the disastrous consequences not only for bilateral relations but also for mutual relations between the United States and the community as a whole, are contrary to the agreements reached in Versailles...." Earlier at the Versailles meeting it had been G. Spadolini who had emphasized that "economic complementarity exists between the two blocs (he was referring to CEMA and the EEC--A.V.)."

E. Colombo also set forth this viewpoint at a meeting with the new Secretary of State G. Shultz on 21 July 1982 in the course of his 2-day transatlantic working visit. The head of Italy's foreign policy department proved to be one of the first officials of the Old World to express "the EEC's profound dissatisfaction, concern and confusion in connection with the United States' economic policy" and the prospects of "a sharp deterioration in relations between the United States and West Europe." A special Italian Foreign Ministry statement was issued on 24 July on the question of the gas pipeline which pointed to the need for the "fulfillment of signed contracts" (it was a question of observance by the Italian side of the terms of a 1981 October agreement, according to which the Nuovo Pinone firm undertook to supply the USSR with equipment for 19 gas-compressor stations).

The Americans' reaction was not slow in forthcoming. Two days later the State Department officially expressed the U.S. Government's "regret". The words were followed soon after by specific deeds: in a clear violation of the generally accepted rules of international law the American authorities put a stop in October in the port of New York to the shipment of four General Electric gas turbine rotors intended for Nuovo Pinone and already paid for. This crude act elicited great anger in the Apennines. M. Rabb, the U.S. ambassador to Italy, was summoned to the Palazzo Farnesina (Italian Foreign Ministry--A.V.) on 15 October, where he was handed an official note of protest of the Italian Government. A corresponding demarche was also made by the Italian ambassador in Washington. E. Colombo commented in quite sharp terms on the measures imposed by the United States, calling them "extraterritorial, antedated, ineffective and undermining Western solidarity." A special message which he shortly after sent to Secretary of State G. Shultz was sustained in the same spirit.

The official visit of G. Spadolini, chairman of the Council of Ministers, to the United States took place against this background 2-9 November 1982. He held talks with R. Reagan, G. Shultz, Treasury Secretary D. Regan, Commerce Secretary M. Baldrige and Undersecretary of Defense F. Carlucci. At the center of attention were problems of East-West relations, particularly their economic aspects, and also the Near East situation. In the course of his trip G. Spadolini said: "I visited the President not only on behalf of Italy but also as the spokesman for the concerns and general sentiments of West Europe."

The essence of Rome's position amounted to the following: Italy will continue to be prepared to actively support the White House's anti-Soviet policy on the "Polish question," but the economic embargo which it imposed in June has to be lifted since it runs counter to the West Europeans' vital interests. Italy intends to adhere firmly to trade-economic agreements concluded with the USSR earlier, but at the same time, however, advocates restrictions in trade with the socialist community which, in accordance with the American demands, "really serve to genuinely strengthen the might and security of NATO." R. Reagan's 13 November decision to lift the sanctions in respect of the European companies supplying equipment for the gas pipeline was greeted with relief by Italy's ruling circles.

This, however, far from exhausts Italy's problems in economic relations with its transatlantic partner. The decision adopted by the U.S. President to prevent access to the domestic American market of certain types of steel produced abroad--primarily in Japan and West Europe--has hit Italy hard. By disposition of the appropriate EEC bodies, which had essentially been placed in a desperate situation, it has in the next 18 months to reduce steel production by 5.8 million tons--and this under conditions where as a consequence of the economic crisis the decline in production in Italian metallurgy since the summer of 1982 alone has constituted 17.1 percent as it is.

The United States is also actively encroaching on the positions of the Italian lira, the latest attack on which, as on the currencies of the other West European countries, was begun by the R. Reagan administration almost

immediately following the conclusion of the negotiations of the leading figures of the Seven in Williamsburg. Italian Foreign Trade Minister N. Capria declared in this connection that the unchecked rise in the dollar's exchange rate "cannot fail to cause concern."

However, Washington is manifestly not alarmed by the misgivings of the West European states--and not only with respect to currency-finance problems. On the contrary, the White House has sufficient reason for satisfaction that the strategy aimed at the economic weakening and even further political subordination of the allies is producing definite results. It remains for Rome to engage in self-consolation, noting Italy's "more pronounced role" in the NATO bloc--a role in practice signifying the country's growing dependence on the United States and increasing the thrust of foreign policy toward the attainment of goals which have nothing in common with the Italian people's real interests.

The results of the early parliamentary elections held in the Apennines 26-27 June 1983 caused considerable concern across the Atlantic. For the CD, Italy's biggest bourgeois party, recognized on the other side of the Atlantic as undisputed "companion No 1" throughout the postwar period, lost more than 5 percent of its vote, mustering for the first time only 33 percent. In this connection THE WASHINGTON POST wrote with unconcealed sorrow: "...What happened on 26-27 June was the biggest defeat incurred by the CD in the last 30 years." It was echoed by THE WALL STREET JOURNAL: "The results of the voting afford a prospect of continued instability and confusion." But the official statement of A. Romberg, representative of the U.S. State Department, was sustained in an optimistic key: "We foresee continuity in Italy's foreign and defense policies and intend to work in close cooperation with the new Italian Government, as with previous ones."

It should be acknowledged that Washington has grounds for such optimism. It is not fortuitous that U.S. President R. Reagan values highly Italy's "constant and active contribution" to the "program of Western solidarity and security" and defines its performance of its role in NATO as "exemplary".

Of course, praise from the White House is pleasant. However, under the conditions of the aggressiveness of American imperialism, which increased sharply on the eve and at the outset of the 1980's, and the assumption of office in the United States of forces of the far right even limited steps to maintain normal relations with the socialist part of Europe have come to be regarded in Washington as "criminal" and a sign of an impermissible breach of "Atlantic loyalty". In this situation the policy of further rapprochement with the United States in the political and military-strategic spheres and orientation toward Washington on the most cardinal problems of current international relations objectively are not only complicating the Italian Republic's participation in the Helsinki process, allegiance to which is periodically recalled in Rome; they are also increasingly becoming an impediment to Italy's internal development and a perceptible factor of conservation of the socioeconomic crisis in this country.

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FRG BOOK SHOWS 'STRENGTHS, WEAKNESSES' OF ANTIWAR MOVEMENT

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 10,
Oct 83 pp 132-134

[L. Istyagin comment: "Dominant of the Antiwar Struggle"]

[Text] The unprecedented proportions which have been assumed recently by the antiwar movement in West Germany, as in a number of other West European countries, is combined with growing differentiation among its participants. This is in itself natural: the broadest social strata, including those even which earlier made no move into the arena of assertive political activity, and hundreds and even thousands of organizations and groups with the most diverse program goals, social connections and ideological persuasions, have been enlisted in the movement. All this is testimony to the qualitatively new level which has been reached by the antiwar struggle, which has become in the eyes of a confused establishment a truly mass nationwide movement.

At the same time the new quality acquired by the struggle for peace raises with all urgency the question of the antimilitarist forces' formulation of a common policy and coordination of their efforts and most important positions. The book "Peace in Germany. The Antiwar Movement As It Was, What It Is and What It Could Be,"* which has been produced by West German commentators, enables us to judge with great clarity the acuteness of this requirement

The authors offer the reader something like an anthology of the concepts and views of the participants in the movement. Altogether the work contains 50 such items, including several collective articles. The appendix provides a list of the organizations engaged in antimilitarist propaganda to this extent or the other--over 3,000 names.

It has to be admitted that both the selection of statements and list of organizations suffer from incompleteness: absent here are many antiwar organizations and research centers of a left orientation. In other words, the forces of the left participating in the antiwar struggle are appreciably underrepresented. But to a certain extent it is this one-sidedness which makes it possible (contrary to the compilers' wished, possibly) to ascertain in particular relief not only the strong aspects but also the weaknesses and unsolved tasks of the movement.

* Hans A. Pestalozzi, Ralf Schlegel, Adolf Bachmann (Eds), "Frieden in Deutschland. Die Friedensbewegung: wie sie wurde, was sie ist, was sie werden kann," Munich, Wilhelm Goldmann Verlag, 1982, p 375.

It is perfectly obvious that it is only possible to effectively combat the growing threat of thermonuclear catastrophe on condition that the source of this threat is clearly determined. Unfortunately, far from all detachments of the movement, particularly those that have become a part of it recently, have a clear concept in this respect. As a rule, the authors angrily condemn the arms race, primarily nuclear, and see it as the root of the evil. But who is to blame for the arms race, who is accelerating it? A sorry inconsistency arises in the attempt to answer this question.

There is very often a variation, for example, in the proposition concerning the "responsibility of the two superpowers," on which the "suprabloc" and, consequently, unaddressed appeals for disarmament are based. True, even the "equal responsibility" formula is not always invested with identical meaning. For some of the forces which have joined the movement comparatively recently acknowledgment of "equal responsibility" is definite progress inasmuch as up to this point they believed the official story of the "Soviet threat," which allegedly compels the "peace-loving" West to constantly arm itself. Now this myth is beginning to lose credit among them also ("The question which was often asked during the cold war, 'what will we do if the Russians come?'" A. Vogt, representative of the Greens Party, writes, "is now supplemented by the urgent question, 'what will we do if the Americans stay?'" p 173).

But as a whole the "equal responsibility" concept, which puts the Soviet Union, which has put forward a realistic program of disarmament measures, and the present U.S. Administration with its gigantic arms program on the same footing, is nothing other than a trap for the antiwar forces. It is not fortuitous that the most reactionary press and the entire "Atlantic" propaganda machinery have so clutched at the "extrabloc" slogan: they are hoping with its assistance to "neutralize," disorient and thus doom to defeat the peace supporters' movement.

It is significant, however, that as soon as the authors take the trouble (and this is the case, it has to be admitted, quite often) to subject the state of affairs in the sphere of disarmament and military preparations to a specific analysis, the "equal responsibility" structure thereupon collapses like a house of cards since it fails to withstand contact with the facts.

Thus, for example, the Protestant pastor (F. Dayle) begins his article with a refusal "to one-sidedly condemn anyone" for the arms race (p 138), but then points out: "Today everyone knows that the SS-20's were a response to the far-advanced modernization of NATO and that NATO's 1979 decision to deploy (new American missiles in Europe--L.I.) represents an utterly uncalled-for step by the West with the intention of securing for itself superiority in arms" (ibid.).

G. Bastian, former Bundeswehr general and currently member of the Bundestag for the Green Party, writes in his article "Why 'Rearmament' Makes Nuclear War in Europe Possible": "Of course, the use of nuclear weapons has always been an integral part of the military-strategic concepts of NATO and the Warsaw Pact (we would recall a fundamental difference: the Soviet Union has unilaterally undertaken not to be the first to use nuclear weapons--L.I.).

But the changes in the United States' precepts on questions of waging nuclear war are undoubtedly decisive, and it is these which primarily create a threat for all Europeans" (p 53). The author emphasizes the inappropriateness of the arguments concerning NATO's "response" to Soviet actions if only because the SS-20's cannot reach U.S. territory, while the American Pershing II's and cruise missiles are intended precisely to hit targets deep into the territory of the Soviet Union. In addition, the American missiles are in their specifications a typical first-strike weapon, whereas "first-strike capability cannot be attributed to the analogous potential of the East" (p 55).

Sharing and developing this thought, another well-known West German expert, A. Mechtersheimer, former member of the CSU, writes: "Everyone is, of course, free to have his own opinion. As far as I am concerned, my opinion is such: I would regret it were an insufficiently large number of SS-20 missiles to be reduced. But if new American weapons are deployed here (in the FRG--L.I.), this will be dangerous and, potentially, mortally dangerous" (p 154).

In other words, the competent analysis of specialists in this case also does not leave standing a single stone of the standing constructions concerning the "equal blame" of the USSR and the United States for the growth of the threat of war. There is one and only one source of the danger which is hanging over Europe and the world--the aggressive policy of Washington, its arms buildup and its policy of deploying new first-strike weapons in Europe. The antiwar movement could undoubtedly sharply enhance the efficacy of its actions if it assimilated this truth, which has been proven by its own researchers and experts with the highest qualifications.

Another problem of the antiwar movement which is logically closely connected with the preceding one is that of goals and their order of priority. The overwhelming majority of the organizations, groups and figures participating in the antimilitarist actions emphatically demands abandonment of the "strategy of deterrence" and is putting forward the most varied plans for the creation of zones free of nuclear weapons or of weapons of mass destruction altogether. But what precisely the first step on this path should be and around what slogan the main efforts precisely at this time, in the current situation, should be concentrated is clear to far from everyone.

A large quantity of maximalist demands based on the "all-or-nothing" formula is presented in the work in question. According to such views, it is necessary to embark immediately on general disarmament in the West and in the East. As far, however, as partial steps to limit arms are concerned, they are condemned as merely diverting people from the main task. The entire policy of detente of the 1970's is called in question inasmuch as it allegedly only "lulled" public vigilance without ensuring real security (p 17).

Obviously, such "radicalism," toward which a compiler of the collection, H. Pestalozzi, also is disposed, would threaten the antiwar movement with a blind alley since it ignores the real circumstance that in the current situation the conditions are lacking for immediate and general disarmament. The task is precisely to prepare them, but it is this with which the impatient disciples of "ultrapacifism" do not wish or do not know how to deal.

A number of organizations and figures protesting under the antimilitarist flag, like, for example, the P. Brandt and H. Ammon group in West Berlin, is attempting to reawaken the "German question," recommending "German reunification" as a means of ensuring "peace in Europe" (pp 320-331), inflating the nonexistent "human rights problem" in the socialist countries and endeavoring on the pretext of "antiwar solidarity" to support elements in the GDR, Poland, Czechoslovakia and Hungary hostile to the socialist system.

Not to mention the fundamental illegitimacy of all these "questions," which have essentially been planted by imperialist propaganda, which is hostile to peace, their discussion within the framework of the antiwar movement, just as, for example, certain plans for the "neutralization of Europe," would threaten to shove the movement from its arterial path and push it into fruitless polemics, division and a fragmentation of its forces.

To the credit of the basic nucleus of the present antiwar movement, it has been able, surmounting its internal weaknesses and rejecting the diversionary promptings of unbidden "well-wishers," to ascertain the central, truly decisive element at this stage of the struggle to ensure peace and security in Europe. This element, as the absolute majority of antiwar organizations acknowledges, is prevention of the deployment in West Europe of new American nuclear weapons and the conversion of Europe into a nuclear-free zone.

It was this demand which was formulated in the celebrated Krefeld Appeal (November 1980), which as of the present has been signed by over 4 million people--a fact without analogy in the history of the FRG. All the attempts of the ruling circles to torpedo the Krefeld initiative with the aid of countercampaigns under "counterbalancing," "suprabloc" slogans have led to nothing.

As H. Stroesser, and initiator of the appeal, chairman of the Young Democrats association (the FDP youth organization, which in October 1982 broke off relations with its party--L.I.), emphasizes in the book, the Krefeld Appeal "succeeded in becoming the crystallizing point of the increasingly growing antiwar movement" and "has penetrated social strata which up to this point were demonstrating absolute immunity to such endeavors.... The movement could not be silenced, and it has embraced socially significant strata, groups and organizations, including parties, trade unions and churches. The instrument of anticommunism, which operated for decades, has lost its effectiveness" (p 89).

The struggle against the notorious NATO "rearmament," which threatens to destabilize the entire military-political situation in Europe, has logically today become the main action front of the FRG's antiwar forces. It is here, in this field, that the general engagement of the forces of militarism, with their slogan of the "permissibility" of nuclear war, and the forces of peace, which consider disastrous for the FRG all attempts to "defend" it and West Europe by means of the kindling of a military conflagration, draws near in connection with the deployment of new American missiles in the FRG planned for the end of 1983.

Currently discussion has spread within the movement's ranks of the most expedient methods and forms of antiwar protests. The question of the tactics of the antimilitarist struggle and its means most suited to the current situation is far from simple.

It is obvious, and the majority of authors proceeds from this also, that the choice of tactical means in the impending clashes with the devotees of militarism should be based on the experience already accumulated by the movement both in the FRG itself and beyond. It clearly demonstrates the high effectiveness of such mass action as protest meetings and demonstrations, peace marches and "weeks," the collection of signatures--primarily to the Krefeld Appeal--and speeches from Bundestag, Landtag and municipality platforms.

The peace supporters in the country possess the possibilities for a sharp stimulation of all forms of activity in attracting increasingly broad strata of the population to their ranks. There are also very considerable reserves of mass struggle which have yet to be committed to action in the course of the antiwar campaigns. K. Becker, a trade union figure from Munich, points in his article, for example, to a potentially most effective means. He recalls the right to political strikes envisaged by the statutes of a leading West German trade union association (ONP) and demands that this right be used to ensure peace (p 117).

For various reasons the West German trade unions have yet to have their telling say in the antiwar struggle. But the country's working class, which is rich in antimilitarist traditions, is announcing a growing readiness to make a fitting contribution to ensuring peace and security and the cause of averting the catastrophe threatening mankind.

The forces of peace are stronger than the forces of war. This is true today also in respect of such to a certain extent key West European country as the FRG. The fate of "nuclear hostage" prepared for the FRG population by the Washington hawks is emphatically rejected by it. Cohesive and united, the antiwar movement is in a position to prevent the fulfillment of the sinister plans being hatched by parvenu nuclear "crusaders" and cancel out their dispositions, which are most dangerous for Europe and the whole world.

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SHAKHNAZAROV BOOK CRITIQUING WESTERN POLITICAL SCIENCE REVIEWED

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 10,
Oct 83 pp 142-143

[R. Zolotarev review: "Critical Study of Bourgeois Political Science"]

[Text] The exacerbation of the ideological struggle in the international arena makes particularly necessary a critical analysis of Western authors' political science works. It is to this subject that the book in question* is devoted, it providing a broad panorama of current bourgeois political science and tracing the genesis and paths of development of political science in the capitalist West.

The very composition of the monograph shows the breadth of formulation of the questions broached in it. The plan of the work is constructed on three principles which organize the study--historical, country and problem. The first chapter studies the sources of current bourgeois political science and sociology and analyzes the teachings of its "patriarchs"--(G. Moski, V. Pareto, R. Mikhel's), M. Weber and A. Bentley. Each of the remaining five chapters represents a survey of the political science product in the United States, Britain, France, Italy and the FRG. Almost all the chapters contain a brief excursion into the history of the development of the corresponding "national branch" of political science and a description of its particular features. We would note that the monograph's special analysis of the political science of Italy and Great Britain in Soviet political science literature is made virtually for the first time, while the problems of political science in West Germany, which formerly had been illustrated only in scientific periodicals, have now been reflected in a broad and comprehensive context. Thus the work in question is our country's first experience of a comprehensive comparative historical-critical study of the science of politics as it has evolved in the developed capitalist countries.

The monograph outlines the main areas of current political analysis in the leading capitalist countries and reveals its theoretical-procedural

* "Sovremennaya burzhuaznaya politicheskaya nauka: problemy gosudarstva i demokratii" [Current Bourgeois Political Science: Problem of the State and Democracy], under the general editorship of G.Kh. Shakhnazarov, Moscow, Izdatel'stvo "Nauka," 1982, p 335.

foundations and the ideological-political content of the conclusions of bourgeois scholars--political scientists and sociologists. The authors have concentrated attention mainly on an examination of the so-called "main line" of development of Western political science (that is, political science of a positivist orientation and predominantly behavioralist and structural-functionalist schools). At the same time, however, they also touch on certain other currents which reject many of the premises and conclusions of bourgeois political science orthodoxy and which have come to be called "critical political theory" in the West. The works of the political scientists of this school are used to illustrate the contradictions which exist in Western political science and to emphasize the groundlessness of its main procedural approaches and theoretical concepts.

Analyzing the theoretical-procedural principles and content aspect of bourgeois political analysis, the authors point to the erroneousness and incompleteness of the initial premises of bourgeois political science, which in practice renounces a consideration of fundamental socioeconomic factors in political life, which predetermines the groundlessness of a large proportion of the conclusions of the representatives of the "mainstream" of the West's political science. In the instances where economic factors are taken into consideration by bourgeois scholars, their incorporation in the political science analysis becomes either vulgar economic determinism or culminates in the building of models of a political system imitating the system of market relations.

The formal approach to a study of political phenomena which is prevalent among bourgeois political scientists, the book observes, impedes the formation of a broad, integral and objective vision of the world of politics and its true social content. They are oriented in their research mainly toward the "freedom from ideological partiality" principle, but the result is usually the direct opposite: even the most conscientious and "strictly scientific" studies of Western political scientists ultimately acquire a perfectly definite predetermination and become a means of defense of the existing system, subordinated to the imperatives of bourgeois society (pp 327-328).

The demand for professional knowledge in the sphere of politics has now grown immeasurably in the West and has spread widely not only to such spheres of political-managerial activity as state institutions and their machinery but to other levels of sociopolitical life also. "The forms and methods of the use of political knowledge and ability practised here," the book says, "are an indicator of the knowing or involuntary involvement of representatives of bourgeois science in the general mechanism of political domination of the present-day monopolist bourgeoisie" (p 327).

In revealing the class limitedness of Western political science scholars the Soviet experts at the same time highlight in their works the cognitive component also: interesting and scientifically valuable ideas and methods of the study of political reality, guided here by Lenin's principle of Marxist criticism, which demands the "severing of the reactionary tendency" of the world outlook of bourgeois scholars, noting in their works that which is

useful which could serve the development of a truly objective view of the problems of the development of society and politics. Empirical material accumulated by Western political scientists, the methods of determining short-term and medium-term trends of the political process which they have developed and also bourgeois political scientists' critique of certain aspects of the political life of the capitalist states could primarily, the authors write, be useful in this respect (pp 4-5).

Despite all the undoubted merits, among which we should put primarily the breadth of coverage of the most pertinent problems of Western political science, the objective nature of the study and the attentive and thorough investigation of the main themes outlined by the authors, the monograph also has, nonetheless, a few shortcomings. Thus the book reflects only to a negligible extent the polemics of representatives of "democratic elitism" and the currents linked with it with the supporters of "participation democracy" and "social democracy". The significance of these polemics (of both their political and theoretical-procedural aspects) for the subsequent evolution of bourgeois political science and its influence on the attempts to form a "general theory of politics" and on the development of new politico-ideological processes in the developed capitalist countries is not defined. It would be interesting in this connection to show, inter alia, that the United States in the 1970's the "elite democracy" concept was a source of the political doctrine of "neoconservatism." The latter appeared thanks to the efforts of a group of representatives of the American academic intelligentsia which took shape around the journals PUBLIC INTEREST and COMMENTARY and which was close to such organizations as the AEI and the Trilateral Commission. Among the "neoconservatives" are such well-known sociologists and political scientists as D. Bell, M. Diamond, S.M. Lipsett and S. Huntington. This fact could be a highly graphic illustration of the growth of the ideological potential of bourgeois political science noted by the authors (p 146).

The monograph's authors also stand aloof, unfortunately, from an examination of the areas of Western political science which although outside of its "mainstream" are far from peripheral--the "neo-utilitarian" approach to a study of politics (E. Downs, M. Olson, O. Young), the phenomenological school of political science (going back to the sociology of A. ((Shyuts)) and others. Western political scientists' studies devoted to electoral behavior and political culture are examined in insufficient detail in the book, we believe.

The work also contains some editing and technical flaws. The transcription of the names of foreign scholars is dubious in a number of instances; what is more, the name of one and the same author is transcribed differently in different places (for example, the American political scientist Heinz ((Yulau)) is represented on page 85 as ((Yulo)) without an initial, but on page 329 as ((G. Yeylau)). It is a pity that the book lacks an index--working with it is made considerably more difficult by its absence.

The said oversights, however, do not detract from and do not outweigh the monograph's indisputable and obvious merits. It is to the authors' undoubted

credit that they have managed to successfully tackle several major tasks all at once--presenting if not an exhaustive, then a sufficiently full and representative picture of the present state of political science in the leading capitalist countries, making a critical analysis of some of the main bourgeois concepts of democracy, pointing to the development trends of Western political science and, finally, collating the preceding experience of Marxist analysis in this sphere.

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BULGARIAN BOOK ON NONGOVERNMENTAL EEC POLITICAL INTEGRATION REVIEWED

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 10,
Oct 83 pp 144-146

[V. Baranovskiy review: "Analysis of the Problems of Capitalist Integration"]

[Text] The history of West European integration runs to several decades now. The basis thereof being objective processes of the internationalization of social life, it has become a perceptible factor of current international development having a considerable impact on the practice of the mutual relations of the West European states, their internal situation and the general state of the system of interstate relations. It is for this reason that Marxist scholars--both in our country and abroad--are performing a great deal of work on a study of this relatively new phenomenon of international life in its various manifestations.

At the same time one is struck by the fact that experts' efforts have been concentrated primarily on a study of the economic aspect of West European integration. And this is natural inasmuch as it emerged and is developing primarily in the economic sphere--it is here that its sources and main driving forces are revealed and its regularities and contradictions and its historically limited nature manifested. However, as the integration processes develop, their consequences also begin to be reflected increasingly perceptibly at the political-legal superstructure level. Specific interstate institutions are created. New behavior stereotypes of the participants in political life in the European community countries emerge. The effect of the mutual coordination and agreeing of foreign policy is becoming pronounced in the international activity of the states which are a part of it. Increasingly urgent significance is attached to a study of the political aspects of West European integration.

The publication of the book by the Bulgarian expert Yu. Vladikova "The Political Integration of Imperialism. Critical Analysis of Current Bourgeois Theories"* will undoubtedly contribute to a solution of this problem. This is the first monograph to appear in the socialist countries specially devoted to question of political integration under the conditions of imperialism.

* Yu. Vladikova, "Politicheskata integratsiya na imperializma. Kritichen analiz na s''vremennite burzhuazni teorii," Sofia, "Nauka i izkustvo," 1982, p 250.

Based on a wealth of factual material, the work strikes one primarily by its endeavor to comprehend and collate the complex and frequently contradictory process of West European political integration. After all, a simple reproduction of the chronology of the latter would be manifestly insufficient for understanding its inner logic and its connection with the international-political and intrapolitical processes in the imperialist world. As the author convincingly shows, such a task can only be accomplished if West European integration practice is viewed in the context of the contradictory foreign policy goals of the corresponding states and their endeavor to defend their own specific interests under the conditions of the intensifying interimperialist rivalry.

Yu. Vladikova pays close attention to an analysis and critical evaluation of bourgeois theories of political integration. Not confining herself to a general description and classification thereof, she examines the singularities of such conceptual constructions of bourgeois political science as federalism, functionalism, neofunctionalism and communications theory. The book reveals the historical and theoretical roots of these concepts and traces their connection with contemporary international-political development and role in emergence and evolution of the integration process. Analyzing this process itself, the author, relying on the fundamental propositions of a Marxist-Leninist approach to a study of social phenomena, the author makes a number of important generalizations. This is, perhaps, the most interesting part of the study inasmuch as many as yet insufficiently developed theories of great significance for a comprehension of the phenomenon of political integration under the conditions of imperialism are broached here.

The close interweaving of national processes of social reproduction, Yu. Vladikova observes, *inter alia*, is inconceivable without the corresponding interaction and mutual adaptation of the national-state political structures (p 31). In this respect we may also speak of the addition to economic integration of the appropriate political superstructure. Integration processes at the political superstructure level, the author of the book believes, represent the content of political integration (p 45).

The new phenomena in the political superstructure emerging in the course of the said process may be judged on the basis of the experience of the European Community (EC). These are primarily the changes in the structure, functions and competence of their machinery of state and the modification of the relations between different components thereof, as, equally, the creation therein of special bodies designed to deal solely with questions of integration development. These are, further, the growing standardization of the forms and methods of state-monopolist regulation applied in the countries participating in the EC. These are, finally, the creation of common institutions for coordinating the interests of the corresponding countries and coordinating their policy.

The book notes that political integration as a form of the development of international relations incorporates relations not only between governments or states but also between nations, classes and social groups (p 34). For this reason we should also include among the observable signs of political

integration, evidently, the new phenomena which are connected with the activity of various political forces in the EC countries (primarily political parties, trade unions and employer organizations). Their "involvement [no end quote] in the decision-making process is realized in various forms; and, furthermore, together with traditional influence via government instances increasingly great significance is attached to the channels through which a direct influence is exerted on the integration bodies. In some cases the latter is realized by way of direct participation in the activity of the integration institutions (political parties in the European Parliament, trade unions and employers' associations in the Common Market's Economic and Social Committee), in others through the development of a specific system of "European lobbyism," which frequently proves even more effective. A highly significant point is the formation of "European" political organizations expressing the interests of corresponding political forces. And whereas interparty associations are still of a quite amorphous character, hundreds of "European" employer unions, as, equally, the European Union of Industry (UNISE), have long been a perceptible factor of influence on integration policy.

The definition of political integration as an "objective and simultaneously purposeful process of the development and extension of systemic relations and interactions between two and more national political systems of the same type" which the book offers is of interest; the hypothetical extreme of this process is "the emergence of a qualitatively new regional political system which possesses certain characteristics of the political systems which existed previously, but which does not amount to a mechanical combination thereof." The distinctive feature of this system, Yu. Vladikova believes, is that "inter-nation and interstate relations and interactions between corresponding political systems have been converted from external in respect of their social and political development to internal, that is, have essentially ceased to be of an international nature" (p 48). Despite the obvious cumbersomeness of this definition, it makes it possible to emphasize the most important aspects of political integration: first, the latter's connection with the objective processes occurring in social life; second, the impact on its development of the subjective factor and the interests and goals of the corresponding classes and states; and, third, the reverse influence of the process in question itself on existing interstate relations.

We would note that the book under review develops the thought expressed in Soviet scientific literature concerning the different functional spheres of the spread of integration at the political superstructure level. This analytical separation makes it possible to ascertain a number of "partial" processes, among which are economic-political, sociopolitical and ideological-political integration (pp 27-29). These processes develop unevenly: in some spheres unifying trends could assume considerable proportions, whereas in others their manifestation is of an irregular, sporadic nature. It would seem advisable to also introduce to this outline the concept of military-political integration. It is not provided for, as is known, in the Treaty of Rome, but the appearance of plans which propose extending the coordination of the Common Market countries' policy to the sphere of ensuring security testifies to the possibility of a certain evolution of the EC in this direction also. Such are ideas developed, in particular, in the "Tindemans Report (1976) and the "Genscher-Colombo Plan" (1981). The author is perfectly right to emphasize the dangerous nature of such

plans and points to the connection of the so-called "Italian-West German initiative" with the plans confirmed at the NATO Council December (1979) Session for the notorious "rearmament". It is a question, as the author writes, of attempts to create a new bloc structure in the West European region, which can only exacerbate the military-political confrontation and jeopardize peace not only in Europe but globally (pp 61-62).

A scientific analysis of such a complex phenomenon as integration under the conditions of capitalism demands, of course, the joint efforts of representatives of various social disciplines--economists and historians, sociologists and specialists in the sphere of social psychology, political scientists and legal experts. The monograph in question and the research principles and category apparatus formulated in it serve as a useful contribution to a study of the political aspects of capitalist integration.

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BOOK ON RECENT CHANGES IN JAPANESE TECHNICAL EDUCATION REVIEWED

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 10,
Oct 83 pp 153-155

[V. Martsinkevich review: "Education in the Leading Capitalist Countries"]

[Excerpt] In our time, when the profound objective dependence between the processes of economic growth and the capitalist promotion of production efficiency and the development of sociopolitical contradictions and the state of the sphere of education is manifested with complete obviousness, the thrust of research in this sphere is increasingly shifting from general formulations of the problem of the economic role of education to a specific analysis of the educational reforms being implemented in the leading capitalist countries. This is also characteristic of the two monographs in question,* the pivotal theme of which is an analysis of the phenomena of the mutual transformation and mutual influence of the training of personnel and socioeconomic processes of American and Japanese capitalism under the conditions of the scientific-technical revolution.

Fundamental shifts in Japan's postwar economy are connected to a considerable extent with the qualitative singularities of its work force, which has proven capable not only of skillfully borrowing foreign experience but also carrying out on a broad scale original R&D and the constant technical modernization of the economy. At the start of the 1960's even, when in the other main capitalist states 1.5-1.8 times more was spent in the educational sphere than on R&D Japan differed sharply, having an almost threefold superiority of educational spending over scientific expenditure. And currently, as before, it leads in terms of the proportion of expenditure on education in the structure of the science-education complex, despite the fact that in the competitor-countries education now outstrips science by a factor of 2.5-3.

From the viewpoint of Japan's experience A. Sokolov's book provides answers to a number of questions: where do the resources for the development of education come from; what is the reason for the exceptionally high attraction thereto of the country's population; what are the reasons for the traditionally

* A.I. Sokolov, "Yaponiya: ekonomika i obrazovaniye" [Japan: The Economy and Education], Moscow, Izdatel'stvo "Nauka," 1982, p 215.

** L.D. Filippova, "Amerikanskaya vysshaya shkola (tendentsii razvitiya)" [The American Higher School (Development Trends)], Moscow, Izdatel'stvo "Nauka," 1981, p 328.

high, on average, qualifications of the teachers of Japan's schools; what are the educational and social costs of the hypertrophied differentiation of secondary education and the domination of testing and the "examination hell" which is undermining the pupils' health; what are the causes of the singularities of the job placement of graduates of the higher educational institutions for the humanities, a large proportion of whom have to go into the services sphere.

Questions of the contiguity of education and the economy are at the center of the study. In the wake of the United States, in the 1970's, as the author writes, Japan "encountered a new form of discrepancy in the development of education and the economy... the continued increase in the degree of education of the work force is increasingly markedly outpacing the changes in its professional-skills structure. It is not precluded that a negative aspect of this process--reduced labor motivation--could outweigh the positive aspect--the easier adaptability of the 'transformed' workers to technical and organizational innovations" (p 179).

A key problem is an economic evaluation of the Japanese ruling circles' attempts to raise the economic returns from education. Under the conditions of capitalism these measures are of a class-discriminatory nature and are eliciting sharp repudiation on the part of workers' organizations and progressive democratic forces. The book shows the clash of the class interests of various groups of Japanese capital and the democratic public on questions of financing education, the correlation of general educational and vocational training and the significance of qualifications and personal attributes. The basic provisions of the educational reforms implemented throughout the 1950's-1970's and in preparation are also examined.

Analyzing the positions of various of the country's political organizations, the author concludes that "the way to the effective and harmonious performance by the Japanese educational system of diverse functions, economic included, is democratization of the education sphere, which is achievable only on condition of the unity of the forces of the left" (p 182).

The material of A. Sokolov's study confirms that in the first postwar decades the Japanese general educational school borrowed many American forms of the organization of tuition and, combining them with the wealth of national tradition, as a whole surpassed the United States in terms of the quality of secondary education. At the current stage, when the correlation of forces of these states depends increasingly on the development of the latest directions of science and technology, the demands being made on Japanese higher education are rising sharply. Extraordinary efforts are being made therein to draw close to the American higher education level, which is still considered the standard for other capitalist countries and which is responding the most sensitively to the requirements of scientific-technical development.

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IEA STUDY ON COAL USE POTENTIAL REVIEWED

Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 10,
Oct 83 pp 155-157

[A. Manukovskiy review: "Could Coal Be the Main Energy Medium?"]

[Text] The book in question, "The Use of Coal in Industry,"* is a report of the Coal Industry Advisory Board of the International Energy Agency (IEA), whose authors analyze the possibilities and prospects of the expanded use of coal in various spheres of industry of the OECD countries. The study was conducted by a special group of scientists headed by Derek Ezra, chairman of Britain's National Coal Board.

The report's compilers saw as its chief task the formulation of specific recommendations for the governments and industrial circles of the 24 OECD countries with respect to an intensification of the process of the substitution of coal for oil in certain sectors of the economy.

The authors conclude that a significant expansion of the use of coal as an energy and production source in the said group of countries is being impeded for the following basic reasons: diversification of the sectors of industry, which to a considerable extent complicates the use of standard methods and techniques of the use of coal; lack of the necessary financial resources for capital-intensive equipment and technology and also for a set of environmental protection measures (coal is ecologically the "dirtiest" fuel compared with oil and gas); the "economic lag" inherent in the fuel-energy complex, particularly in coal industry, caused by the need for a comparatively lengthy period for any significant reorganization of energy balances; and the difficulty of delivering coal to the consumer.

Nonetheless, the work views coal as a most promising alternative source capable in the medium term of ousting liquid fuel to a considerable extent from the energy balances of the capitalist countries and thereby contributing to at least a partial solution of the energy problem. In the author's [sic] opinion, coal consumption in the industry of the OECD countries by the year 2000 could reach 1 billion tons (p 13), that is, 2.5 times more than its present volume.

* "The Use of Coal in Industry. Report by the Coal Industry Advisory Board," International Energy Agency, May 1982, Paris, p 445.

IEA experts see the prerequisites making it possible to count on the possibility of a reorientation of the economy of the OECD countries to a diversified structure of energy balances in which coal will have a leading place, first, in the increasing price advantage of solid fuel over other energy sources; second, in these countries' endeavor to guarantee the dependability of the provision of their economy with energy by way of the abandonment of the dominant position in the energy balances of a single source of energy and the transition to energy polycentrism; and third and finally, in the fact that the main suppliers of coal to the world market are countries with "politically dependable" (from the viewpoint of the IEA experts) regimes--the United States, Australia, South Africa and Canada.

In many sectors of the economy coal could directly replace liquid fuel as an energy medium without preliminary treatment (the reference is to gasification, liquefaction or obtaining electric power). Particularly broad possibilities in this respect are afforded by the energy-consuming sectors, which consume both thermal and electric energy in considerable volumes.

Cement industry, in which in addition to thermal energy obtained upon the combustion of solid fuel such ecologically harmful waste of the process of coal use as ashes and sulfur could be used as a component element of the end product, may serve as the most striking example in this respect.

In 1979 the cement industry of the OECD countries consumed approximately 22 million tons of coal (p 83). The advantages of the use of this type of fuel in this sector of industry are conditioned by a number of factors: coal is considerably cheaper than oil; the high energy consumption of the end product (energy expenditure constitutes 40 percent of the cost of the cement); the higher dependability of supplies of coal compared with oil; the possibility of using the waste of the coal combustion process as production raw material. Whereas in 1979 only 41.1 percent of the cement industry's energy requirements were satisfied thanks to solid fuel, 47.3 percent thanks to fuel oil and 11.6 percent thanks to gas, by 1990 this sector of the OECD countries' industry, according to calculations of IEA experts, 94 percent of its energy needs will be met thanks to coal (calculations made in coal equivalent).

Pulp and paper industry, where firewood extensively used as fuel at enterprises could even without the appreciable reorganization of equipment be replaced by coal, could serve as another example. In the opinion of the authors of the study, great prospects for the expanded use of coal also exist in the aluminum, textile, chemical and food sectors of industry.

In addition to the direct use of coal as a fuel the IEA experts place great hopes in an increase in the use of secondary raw material. They refer primarily to electric power obtained at thermal power stations operating on coal and also gas obtained in the treatment of coal. Both these sources are distinguished by ecological cleanliness; furthermore, coal gas could be used as production raw material for obtaining various chemical substances.

The main difficulty, the authors of the study believe, is the technical reorganization of the power engineering equipment operating on oil and gas for use as a fuel of coal inasmuch as this will require considerable capital investments. The essence of this difficult obstacle is the conflict between long-term government programs providing for a global reorientation from oil to solid fuel and the private capitalist interests of individual companies which are not suited by the long capital investment recoupment periods typical of the coal industry (the recoupment period of these capital investments is over 5 years, as a rule, whereas employers currently consider acceptable for themselves a period of no more than 2 years). This, the experts believe, advances the need for the extensive intervention of the state in the process of an increase in coal use by means of the application of a variety of subsidies, tax policy and low interest rates. According to their calculations, a reduction in the investment recoupment period in this sphere could make the substitution of an additional 3.5 million barrels of oil a day (175 million tons a year) with the corresponding quantity of coal economically profitable by 1990 (p 13). The reorganization of boiler-house equipment, which would take by 1990 investments of the order of \$13 billion, would produce an annual fuel savings of \$11 billion. Given the active intervention of the state, the sum total of investments in the reorganization of power engineering equipment would constitute \$100 billion, while the annual fuel savings would be \$43 billion (p 59).

Such a large-scale expansion of the use of coal would also bring forward another important problem--transport support for the significant flows of solid fuel. The forecast expansion of coal consumption will require the large-scale construction of new port installations, the modernization and extension of operating installations and the creation of powerful materials-handling equipment. Owing to the lower energy consumption of coal per unit volume, a need will arise for the construction of large coal dumps at the ports, at the unloading centers and in the areas of consumption. The problem of improving the transport system for delivering coal to the consumer, which includes an improvement in roads and canals and main railroads and also a considerable increase in and the modernization of the pool of transport facilities, particularly the fleet, will arise.

Another important problem of an expansion of coal use in the economy of the OECD countries is the fact that the strict environmental protection requirements will create considerable obstacles to the profitability of the direct use of coal, forcing the consumers to invest large resources in technology for removing harmful waste (ashes, sulfur and coal dust). This predetermines to a considerable extent the greater orientation toward the secondary use of coal in the form of electric power or "coal" gas, which are ecologically far cleaner energy media.

The scientific research being performed in this sphere should, according to the authors of the report, solve the problem of the creation of efficient and inexpensive technology which would make coal an "ecologically acceptable" energy source. A considerable intensification of scientific research is also needed in the sphere of the production and shipment of coal and its treatment and consumption.

Despite the difficulties which will accompany an increase in coal consumption in industry, the IEA experts' forecasts are highly optimistic. The consumption of power-generating coal in the year 2000 will constitute, they believe, 285-400 million tons of coal equivalent, and the proportion of coal used as a fuel in industry will increase from the present 20 percent to 25-30 percent, and considering electric power engineering will amount to 30-45 percent (p 58).

Of course, far from all the conclusions and recommendations contained in the report are indisputable; in particular, the authors are too optimistic when it is a question of government measures for an expansion of the use of solid fuel, believing that state policy is capable of fundamentally changing the structure of energy consumption in the OECD countries. Nonetheless, a quite successful attempt has been made to study all the pluses and minuses of a transition to the use of coal as a basic energy medium for certain sectors of industry. The work in question will be of interest to Soviet specialists.

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